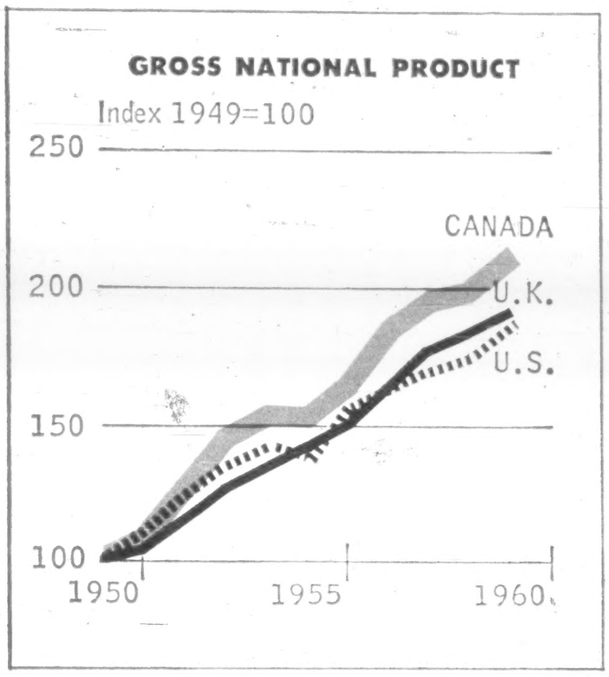
The Financial Post

Canada's National Weekly of Business, Investment and Public Affairs

A REPORT TO EXECUTIVES THROUGHOUT THE WORLD



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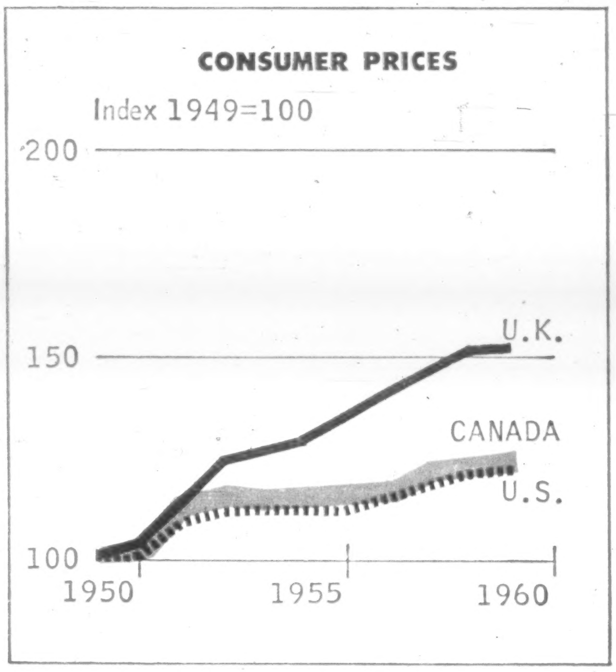
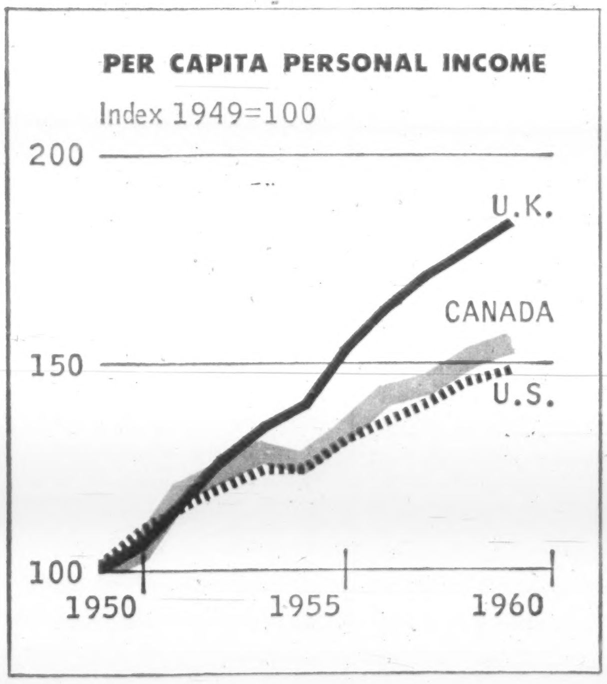


CONSUMER PRICES

CANADA 1960

A DECADE OF GROWTH



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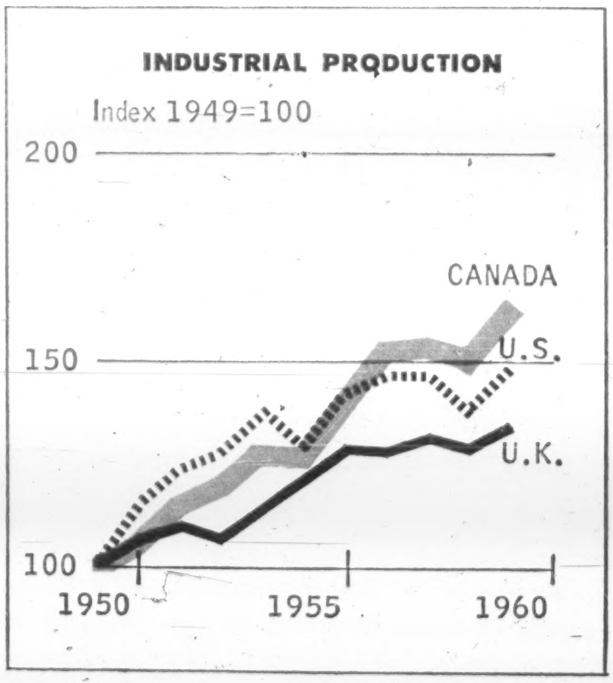

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The Prime Minister's Message

JOHN G. DIEFENBAKER
Prime Minister of Canada

I welcome this opportunity of conveying greetings to readers of The Financial Post, in the many lands to which copies of this Overseas Edition will be mailed.

In these days of easy travel between nations, Canada has welcomed many visitors from abroad who have been able to learn something at first hand of Canadian progress and efforts to establish closer commercial and cultural relations with those of other lands.

Canada in turn benefits from the increased knowledge of the problems with which our international friends and neighbours are confronted.

In a community of consultation much can be accomplished to smooth the way toward easing those difficulties which impede the flow of trade.

The efforts of all who contribute to creating a better understanding of Canada are worthy of commendation and I feel sure that this issue will make a worth-while contribution in the interpretation of Canada abroad.

(signed)
John G. Diefenbaker

OTTAWA,
1960

Canada Exhibits At More Fairs

By GORDON CHURCHILL
Canadian Minister of Trade and Commerce

Canada enters upon another decade with confidence in the ability of her people to establish a sound economy that should strengthen the bonds between this and other countries.

The Overseas Edition of The Financial Post serves a useful purpose in providing readers around the world with a better understanding of conditions contributing to the economic stability of the nation.

I am hopeful, therefore, that businessmen will take time out from their daily labors to read many of the articles in this edition, and so come to learn more about our current position and aspirations.

Foreign trade is one of the pillars of Canadian prosperity, and the development of closer connections with other lands has had the attention of government for many years.

This attention was first expressed, however, in broad, general policies, such as the provision of railways and canals that enabled Canadian products to gain readier and cheaper access to markets, domestic and foreign.

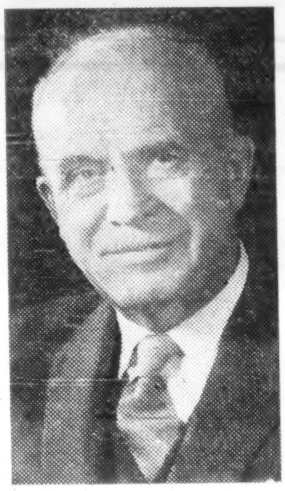
Fiscal policy and the customs tariff were also used to encourage industry and to promote trade.

But, the provision of more direct help to the producer in finding buyers in other countries for his commodities developed slowly.

This was stimulated by the realization that Canada's extensive resources were of such a character as to require markets in other lands.

The opening of Western Canada probably contributed more than anything else to the creation of a keen appreciation of the importance of foreign trade.

The necessary assistance was provided by the appointment of trade commissioners, who are now located in 60 posts around the world.



GORDON CHURCHILL

A list of these can be consulted on the back cover of this edition.

While the prime function of these officers is to provide Canadian exporters with commercial intelligence, and to assist them in securing new markets for their products, they take a live interest in the countries to which they are posted, and enjoy the reputation of commercial ambassadors.

In this capacity, they establish friendly relations with local government officials, businessmen, the press and other groups seeking information concerning Canada.

The Department of Trade and Commerce is participating to an ever increasing extent in international trade fairs, which enable interested Canadian firms to introduce their products to consumers in other lands.

These fairs afford trade commissioners an opportunity of enlarging the range of their acquaintance, as they welcome enquiries, more especially from businessmen who are interested in Canada as a source of supply.

As Minister of Trade and Commerce, I trust readers of these columns will visit the Canadian stand at trade fairs in which we are represented, and will make themselves known to our trade commissioners.

One never can tell when an enquiry may prove to be the key to a gateway through which a profitable movement of merchandise may pass.

Thus, as Canadians step forth into the 60s, they recall the start of another decade at the turn of this century, when the nation created in 1867 was emerging from a long period of economic stagnation.

In reading the articles in this Overseas Edition, it is well to remember that much of the foundation for the present economic structure of Canada was laid in the last 60 years.

Start Work Soon On Grand Rapids

Manitoba Hydro Electric Board will start construction soon on a $140 million power plant at Grand Rapids at mouth of the Saskatchewan River.

Money for first stages of the construction will be voted by the legislature at its current session, which opened recently.

The site is 250 mi. northwest of Winnipeg. The plant is to be completed in five years.

How To Grow In The Canadian Market A Step At A Time!

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We will be pleased to send you, upon request, a free copy of our illustrated brochure describing Pollyfilla's success in more detail.

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March 1, 1960.

Presents Business Viewpoint

Community building for the national good.

This is the program, designed to gain public and governmental acceptance of the business viewpoint, that the Canadian Chamber of Commerce has set for its member businessmen.

There are some 850 local Chambers of Commerce — or Boards of Trade, as some groups prefer to be called— across the country.

Membership totals some 125,000.

These local clubs co-operate at provincial and federal levels to deal with broader issues.

There are provincial offices in the six larger provinces and an Atlantic Provinces office at Moncton, N.B.

The Canadian Chamber of Commerce, the national organization, has its head office in Montreal.

This body promotes economic education work intended to develop a greater appreciation and understanding of Canada's economic system of competitive enterprise.

It also emphasizes leadership in promoting fair relations among labor, management and capital, and urges the expansion of international trade.

The chamber does this through seminars, group discussions, advertising, publishing booklets and other literature, co-operation with other community organizations, work of a permanent staff, conferences and so on.

The local groups concern themselves with such issues as zoning bylaws, traffic regulation, fire prevention, industrial development and so on.

There are also some 270 Junior Chambers of Commerce, composed of members 18-35 years old.

Purpose:

The training of young businessmen for community leadership.

The junior clubs are popularly known as the "Jaycees" and include about 25,000 members.

They plan and execute community-betterment campaigns and help each other develop leadership qualities through public speaking clubs and study groups.

Canada was a leader in the Chamber of Commerce movement.

The first chambers were established in Marseilles, France, later introduced to Britain, and brought to Canada in 1750 when the first North American Chamber of Commerce was established at Halifax.

The New York chamber was organized 18 years later.

Members of the chambers and boards meet annually in a convention sometimes called Canada's "Parliament of Business" to study and discuss national issues and make presentations to the government.

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Ask End to Canal Tolls

A strong plea to abolish tolls on the Welland Canal has been made in Washington.

The plea came from General H. D. Graham, president of the Great Lakes Waterways Development Association of Toronto and former Canadian Army chief of staff.

First, he said, there inevitably will be higher tolls on the Welland.

Second, he warned that U. S. might follow Canada's example and start charging tolls on some of its inland waterways which would affect Canadian shipping.

He said if the tolls on the Welland remain they will be raised because one of two things will happen:

- Either Welland traffic will be less than anticipated by the Seaway Authority and thus the tolls boosted to cover the cost of Welland improvements within the 50-year period;
- Welland traffic will increase and necessitate twinning of the Welland, the cost of which would have to be paid for out of higher tolls.

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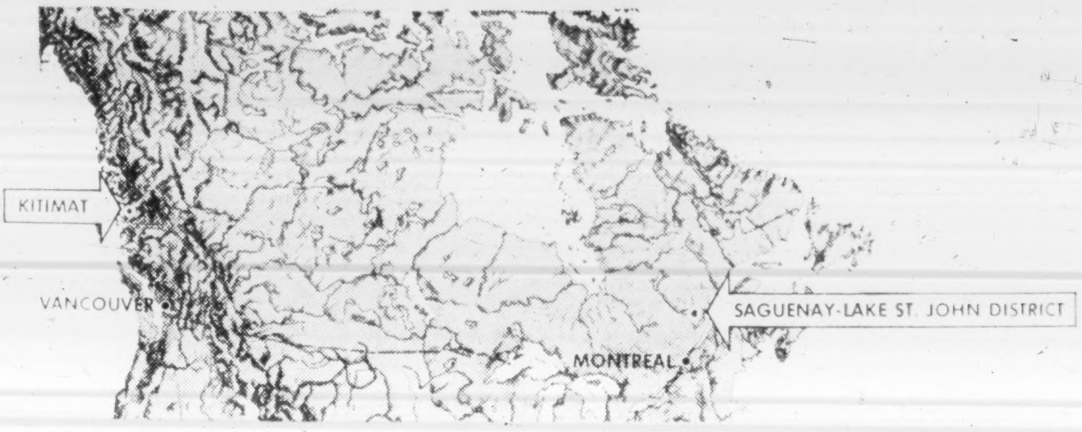
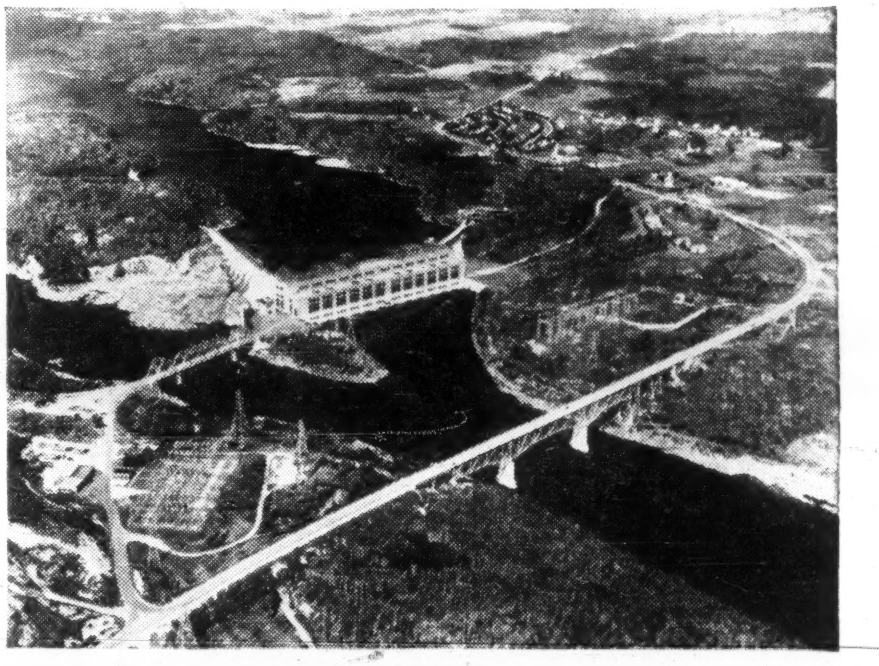


THERE'S ROOM TO GROW IN CANADA

FOR INDUSTRIES: *space to spread out and allow for expansion—abundant, low-cost power—deep-sea ports as well as road, rail and air transportation—long-range market possibilities.* **FOR LABOUR:** *the lure of fresh new locations and permanent jobs with a future—planned towns, ideally suited to homelife and growing children.* **FOR FAMILIES:** *individual homes in communities but a few miles from open country, rivers, lakes, beaches, mountains—recreational facilities which are impossible in older, crowded industrial areas.*



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Today, there are 11 churches in this expanding municipality — elementary schools and high schools (with plans for more as needed) — an $85,000 library — extensive shopping facilities, both central and local — a wide variety of clubs — a modern hospital.

Kitimat welcomes new industries to further develop her vast and beautiful territories, expand her modern residential communities.

SAGUENAY-LAKE ST. JOHN
DISTRICT Quebec

Here is the "Kingdom of the Saguenay" — that vast, fast-growing area, 300 miles north-east of Montreal. Here too is an abundance of low-cost power and water transportation via the Saguenay and St. Lawrence rivers to offer unrivalled opportunity to industries of many types.

In addition to water transportation, from the deep-sea port of Port Alfred on the Saguenay — transport facilities are provided by rail and air, as well as by road. A plentiful supply of desirable labour is available from towns already established, and the locating of new industries constantly attracts workers and their families away from overcrowded cities.

Townsites have been planned to provide the comfort and facilities of modern cities and are designed for greater convenience and safety. Churches, excellent schools, clubs, open country — offer happy incentive to all concerned.

For full information and literature on either or both these promising areas write or wire to:

Municipal Manager, Kitimat, B.C.
or
Kitimat Chamber of Commerce,
Kitimat, B.C.

Saguenay District Chamber of Commerce, P.O.
Box 459, Port Alfred, Que. — or Lake St. John-
Roberval District Chamber of Commerce, 92
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Investment in Canada

Rich, natural resources provide for production growth . . .

Canada has not suffered from the world-wide shortage of savings and capital for new investment.

It has been able, more easily than any other country, to supplement its own savings by borrowing the savings of Americans.

This is the principal reason why Canada has been able to spend so much on new developments of all kinds.

The growth of production has been greatest in what are called "resource industries".

This means tapping the natural resources which are lying in or under the ground. New wells to produce oil and natural gas have attracted more investment than any other activity; and for every well that produces oil or gas, the explorers have to dig many which give no return at all.

Besides petroleum other minerals have shown great expansion. New mines, often located further north than any previous settlements, are producing lead and zinc and copper.

Iron ore is being produced in great quantities from a formerly barren territory in eastern Quebec and Labrador, and a new hydro-electric plant is being planned on the Hamilton River to give them power.

These are the biggest developments which have resulted from the large inflow of capital from abroad in recent years. But foreign investors have also put their money into the pulp and paper industry, which means taking the wood from Canada's plentiful forests and building huge mills to convert it.

Other forms of manufacturing have also grown with the aid of foreign capital. Chemical factories are one kind. Motor-cars and electrical industries are others.

Growth of productive facilities like these demands an equal growth of the kind of utilities which governments usually supply. The increase of population also demands more houses and roads and schools and power plants.

So Canada has had a steady demand for new capital from the public authorities as well.

All these private and public works together have been taking more than a quarter of Canada's total production of goods and services.

In 1956 it was nearly 27% and in 1957 nearly 28%. In 1958, which was considered a year of recession, the proportion fell back to 26%; and it probably was not much higher in 1959.

Economists insist that this is an unusually high proportion of a country's effort to go into capital developments, instead of into goods and services for immediate use. In the United States, by contrast, capital investment is running at only about 18% of total production.

The Canadian rate of capital development has been higher than Canada could finance out of its own resources.

Since 1955, at least, the country has depended on borrowing capital from other countries. Investors have put their money into Canada in almost every possible form.

The most permanent commitment is what is called "direct investment". This means investment in a company which is completely controlled by the investors in the foreign country.

Sometimes it is just a branch plant of the foreign owner, not even incorporated in Canada. More often a Canadian company is incorporated, but foreign ownership keep complete control of it. If shares in the Canadian company are sold in Canada at all, which is not always the case, then the foreign owner still makes sure that he has more than half of them and so complete control.

Nearly 60% of the foreign investment is in this form of "direct investment".

Another 30% of the foreign investment in Canada is in the assets of companies controlled in Canada or somewhere else outside the investors' control.

Three quarters of such investment goes into shares: that is to say the investor is a part-owner and his return comes from the dividends the company can earn and distribute. The other quarter is in bonds and debentures, paying a fixed rate of interest.

Government bonds and real estate mortgages make up the remaining Canadian assets in which foreign investors have placed their money. Some of this can be very short-term lending.

For example, there have been times when Canada's three-month treasury bills were paying interest so much higher than other countries — and the exchange rate was so favorable — that it was profitable for Americans or Europeans to send their money here even for a few weeks.

Much the largest supplier of foreign capital is of course the United States. It is not only Canada's close neighbor, but also has more savings looking for investment than any other country in the world.

At the end of 1958, Canada's official statisticians calculate, the United States had supplied $14,600 million out of total foreign investment of $19,100 million. This is more than three-quarters of the total (77%).

The United Kingdom was next, with $3,100 million, or 16%.

All other countries' investments were estimated to come to $1,400 million, or 7% of the total.

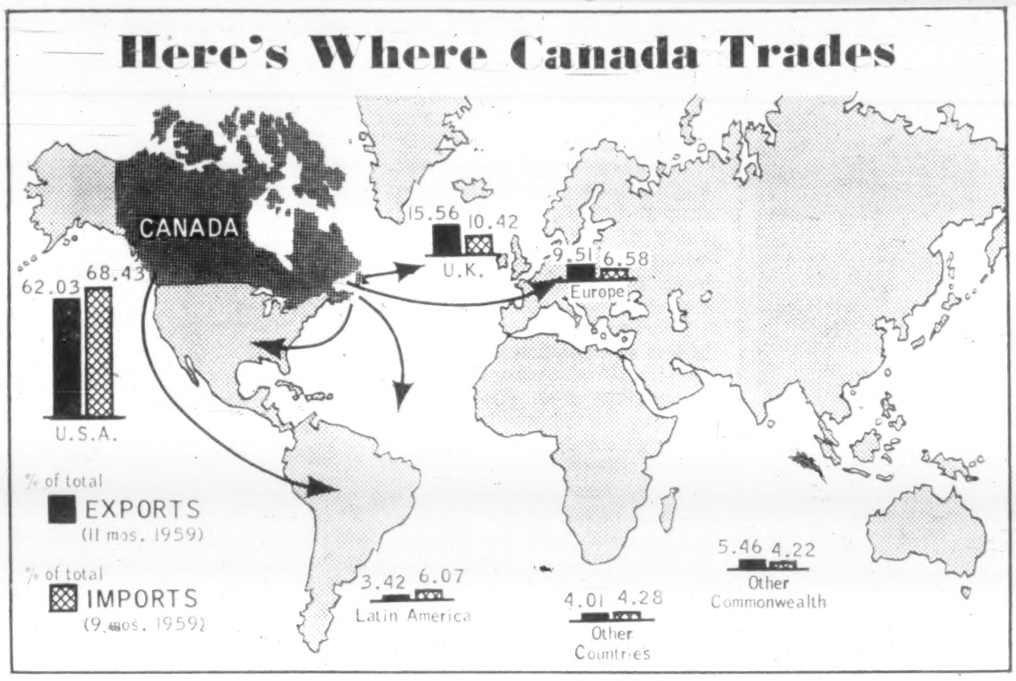
It is interesting that Americans are the only foreign investors who throughout the last 10 years have put more than half their Canadian investments into companies which they control themselves. Direct investment is now getting on for two-thirds of all the U. S. investment in Canada.

British investors have also been increasing the proportion of their investment going into controlled companies. But at the end of 1958, they still had $1,825 million in other forms of security, against $1,275 millions in direct investment.

The other countries' total divides into $525 million of di-

(Continued on page 17)

Here's Where Canada Trades



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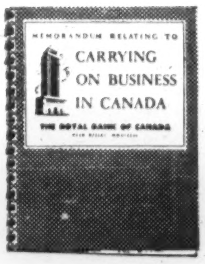
MEMORANDUM RELATING TO
CARRYING
ON BUSINESS
IN CANADA
THE ROYAL BANK OF CANADA

For a copy of our Memorandum, "Carrying on Business in Canada", write, Business Development Department, The Royal Bank of Canada, Head Office, Montreal; or to any of our offices in London, Paris or New York.

Manufacturing in Canada - 1959 (Est.)

	New capital investment in manufacturing $ millions	% of total	Manufacturing employment Oct. 1959
Food, beverages	121.7	11.67	156,503
Tobacco & products	10.8	1.04	8,647
Rubber products	12.0	1.15	21,774
Leather products	2.0	0.19	28,960
Textiles	18.8	1.80	58,594
Clothing	6.4	0.61	100,523
Wood products	29.8	2.86	93,606
Paper products	119.7	11.48	92,104
Printing, publishing	32.3	3.10	55,303
Iron, steel products	131.3	12.59	179,452
Transportation equipment	51.9	4.98	127,047
Non-ferrous metal products	71.7	6.88	55,781
Electric apparatus, supplies	25.5	2.45	77,701
Non-metallic mineral products	48.7	4.67	38,357
Petroleum, coal products	132.9	12.75	14,988
Chemical products	109.5	10.50	54,024
Miscellaneous	12.2	1.17	31,218
Capital items charged to operating expenses	105.3	10.10	....
TOTAL	1,042.5	....	1,194,582

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Canada ranks about sixth among the industrial nations of the world.

The manufacturing industry employs 26 out of every 100 working Canadians — nearly 1.5 million in 1958.

More Canadians are employed by manufacturing than services (1.2 million), or trade (915,000), or agriculture (712,000), or mining and quarrying (109,000), or forestry (87,000), or fishing (15,000).

This indicates that Canadians are no longer the "hewers of wood and drawers of water" they are often thought to be.

In fact Canada since 1939 has expanded her manufacturing industries at a faster rate than any other nation.

Canada also leads the world in her rate of population growth.

The necessity to produce goods to win World War II stimulated the nation's industry into great expansion.

This has been followed by recent events of far-reaching significance — the discovery of the major oil pool on the prairies in 1947, the discovery of large-scale deposits of iron and the successful search for uranium, for instance.

There have been other periods when Canada's population has grown more rapidly, and, in many respects, the rate of industrial expansion in Canada in the late 1920's was relatively as great as in the postwar years.

But the real significance of the latter period is that never before has there been an advance on such a broad industrial front.

The importance of manufacturing is indicated by some statistics:

In 1949, manufacturing contributed 28.9% of Canada's gross national product.

Agriculture made up 10.7% of the total GNP, fishing, .5%, mining 3.7% and forestry 1.7%.

By 1957, agriculture dropped more than 50% to 5.2%, forestry and fishing were slightly lower, and mining, even with a uranium boom, was only up .6%.

Manufacturing declined to 28%.

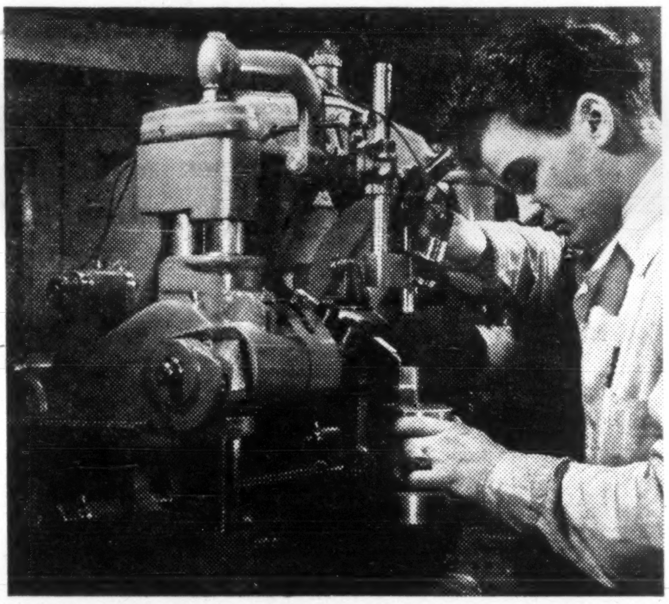
But whereas in 1949 its value was nearly double the total of the four basic raw materials, in 1957 it was 2½ times this total, a 25% increase in importance.

Value of manufacturing shipments in 1957 was $22 billion.

The production of pulp and paper is Canada's leading manufacturing industry, the selling value of factory shipments in 1957 totalling $1,411 million.

The pulp and paper mills are fed by the great coniferous forests, through which run extensive river systems.

The rivers provide a means of transporting pulpwood to the mills and provide the power for generating the required electricity.



SINCE 1939 Canada has expanded her manufacturing industries faster than any other nation.

The petroleum products industry was the second largest manufacturing industry, recording sales amounting to $1,377 million.

The industry used about 8,335 million gal. of crude oil, of which 53.5% was from Canadian wells.

The refineries of Quebec and the Maritimes continued to operate on imported oil because of distance from Canada's western oilfields.

The nonferrous smelting and refining industry, Canada's third largest manufacturing industry, shipped products to the value of $1,280 million.

Canada is one of the world's leading producers of nonferrous metals, standing first in the production of nickel, second in aluminum, third in zinc, fourth in lead, and fifth in copper.

These figures do not include the metallic content of exported ore.

The industry operates smelters and refineries that rank among the largest and most highly integrated of their kind in the world.

Three of Canada's 15 largest manufacturing industries are occupied in the production of transportation equipment.

The motor vehicles industry ranked fourth in 1957 with sales of **$949** million, the aircraft and parts industry ninth with sales of **$424** million and the railway rolling-stock industry tenth with sales of **$387** million.

Fifth in value of factory shipments **in 1957 was the** slaughtering and meat packing industry. With shipments valued at $907 million, it was the leading industry of the foods group.

Butter and cheese factories ranked eighth with sales of $470 million, the miscellaneous food preparations industry 13th with sales of $336 million, and bakeries 14th with sales of $331 million.

The primary iron and steel industry in Canada has expanded considerably in recent years.

Important technical developments have been pioneered in this country, including the continuous casting of steel shapes and a faster process for the use of oxygen in steel-making.

In 1957, shipments valued at $705 million placed the industry sixth. Production amounted to more than 5 million tons of steel.

The industry is dominated by four integrated plants, two of them at Hamilton, Ont., and one each at Sydney, N.S., and Sault Ste. Marie, Ont.

The lumber industry has been a mainstay of Canada's economy since the earliest days and in 1957 ranked as the seventh largest manufacturing industry.

In that year sawmill products shipped were valued at about $556 million, 60% by value produced in British Columbia, 15% in Quebec and 12% in Ontario.

Other industries among the top 15 include miscellaneous electrical apparatus and supplies, industrial machinery, and rubber goods.

The great bulk of manufacturing industry in Canada is concentrated in the provinces of Ontario and Quebec, where two thirds of Canada's total population live and work.

Ontario alone produces half of the nation's manufactured goods, while Quebec accounts for 30%. Thus these two provinces between them produce 80% of Canadian manufacturing output.

However, it is still the leading industry in no less than seven of the 10 provinces.

Despite Canada's status as a manufacturing nation, some 77% of the nation's imports of $5,600 million in 1957 were fully manufactured.

Another 5% were partially manufactured and only 18% were raw materials.

The total amounted to $351 worth of imports for every man, woman and child in Canada.

This is the largest per capita import value of any country in the world, compared to $75 for the U. S. and $240 for the U. K.

The U. S. is the largest supplier of Canadian fully manufactured imports.

Arctic Road Aids In Search for Oil

Most northerly winter road connected to an established highway system is now carrying big diesel trucks with semi-trailers.

They are hauling oil-search equipment and supplies to the site of the **Amerado-Ohio** oil hunt in the Bell River area west of Fort McPherson, N.W.T., north of the Arctic Circle.

The 380-mi. road goes north from Elsa on the Mayo-Elsa highway.

montreal's SOUTH SHORE INDUSTRIAL AREA

VARENNES VERCHERES CONTRECOEUR

LOCATED ON THE 35′ DEEP ST. LAWRENCE RIVER CHANNEL

Advantages of the area:

- Rail Service on Site (CNR)
- All Weather Highway (No. 3)
- Ample Electric Power (Shawinigan)
- Private Owned Wharves
- Natural Gas (Quebec Natural Gas)
- Unlimited Water Supply
- Iron Ore available on site
- New Housing Developments
- No Seaway Tolls To Pay
- No delays at Seaway Locks

Established Plants and Industrial Site Owners:

—STEEL COMPANY OF CANADA LTD.
—DOMINION STEEL & COAL CORP.
—IRON ORE COMPANY OF CANADA
—QUEBEC SOUTH SHORE STEEL CO.
—DOMINION TAR & CHEMICAL CO. LTD.
—CANADIAN LIQUID AIR CO.
—IRVING OIL INC.
—SHAWINIGAN CHEMICALS LTD.
—ST. MAURICE CHEMICALS LTD.
—CANADIAN TITANIUM PIGMENTS LTD.
—ELECTRIC REDUCTION CO. OF CANADA
—JOSEPH ELIE LTD.

JOSEPH C. PARDO, LTD.
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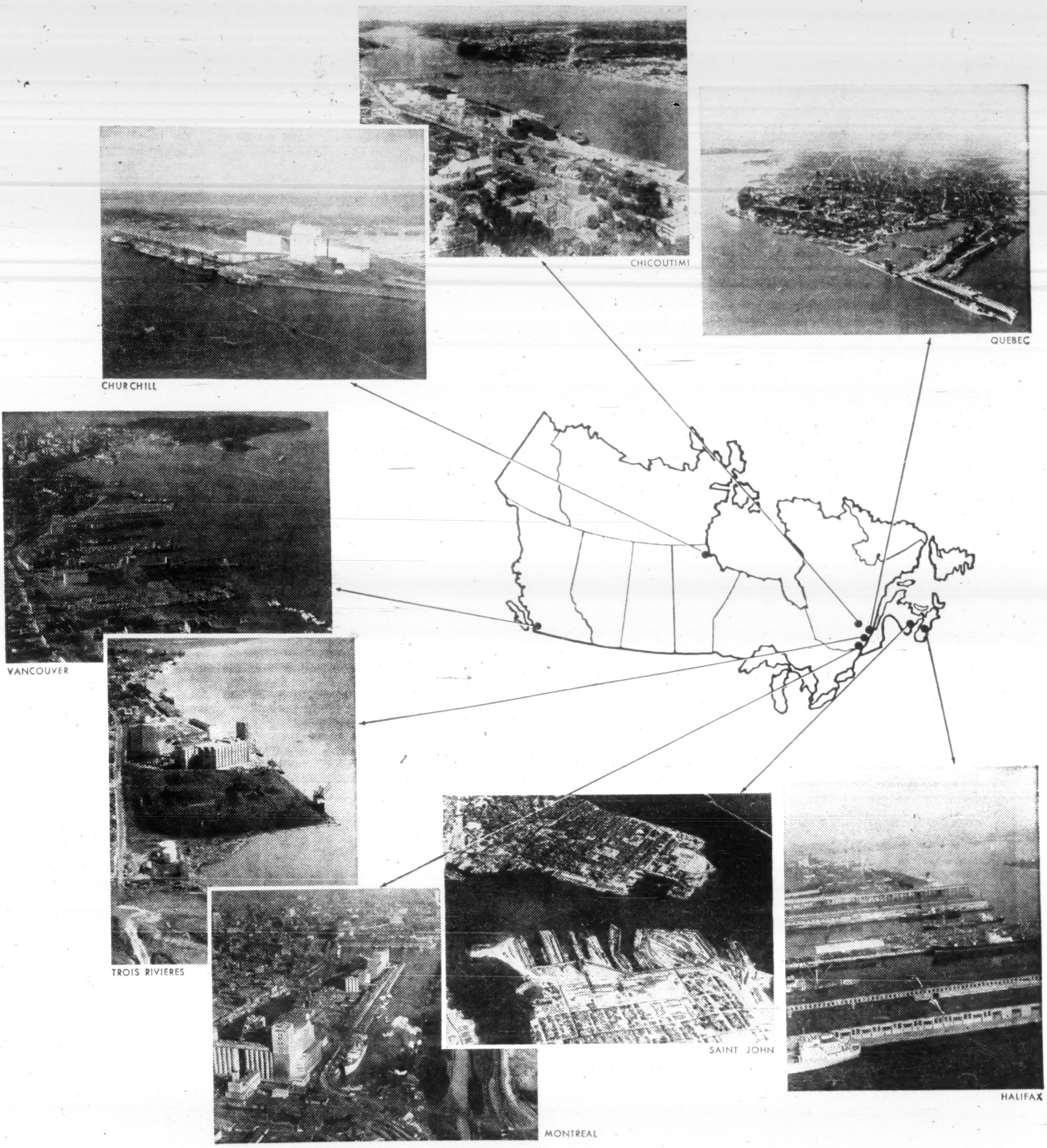
Montreal, P.Q.
WE 5-0634, WE 5-2701

EKLOVE & STARR REALTIES
1010 St. Catherine W.
Montreal, P.Q.
UN 6-6969

C. N. ABBOTT
57 St. James W.
Montreal, P.Q.
VI 5-2846, VI 5-1127


CHICOUTIMI
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The advantages of Canadian Ports are worth investigating

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OTTAWA, CANADA

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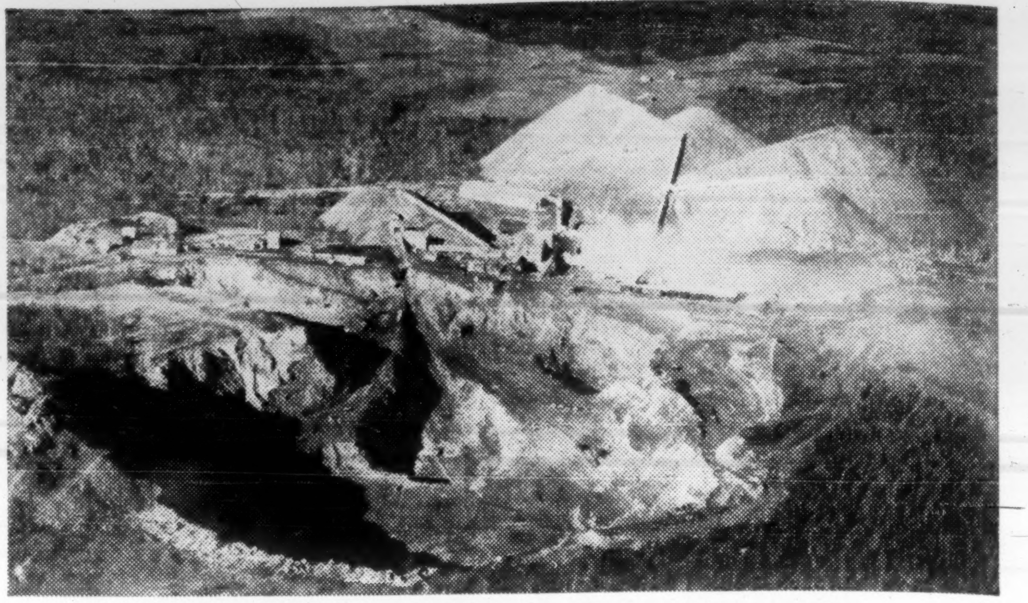
New Mines, Plants Reaching Capacity



AERIAL VIEW of a typical open-pit asbestos mining operation.

Canadian mining is rebounding from the worldwide economic storms that battered metal markets through 1957 and 1958.

The new mines and plants built in the postwar years are reaching toward capacity levels as the pace of industrial activity picks up.

With some improvement in prices in 1959, Canada's metal mines were able to record new peak levels of production — a pattern which has persisted for the past six years.

During this period, value of metallic minerals produced in Canada has almost doubled from almost $710 million in 1953 to about $1,400 million in 1959.

Even as the vastly expanded industry builds up production and starts benefiting from higher prices for copper, lead and zinc and booming markets in iron ore and nickel expansion programs continue.

Some of the biggest single undertakings have been underway throughout the economic recession.

They will start adding to the importance of Canada's mineral production this year and will likely have their greatest impact in 1961 and 1962.

Here are some of the projects which will go into production within the next few years.

These are projects already well advanced.

There are many others which could be undertaken at any time.

- **International Nickel Co. of Canada** this year will start production from its new nickel centre at Thompson in northern Manitoba.

This is a new area which is being tapped by Inco at a cost of some $175 million.

It involves construction of a new town, rail spur, processing plants including a refinery which will use a new metal extraction process.

- **A United States Steel** subsidiary is well into what is probably the largest single private project yet undertaken in Canada.

At a cost of some $275 million, U. S. Steel will mine and process large tonnages of low-grade iron ore in the Mt. Wright area of Quebec.

Concentrates will be shipped by a new rail line to a new port city on the north shore of the St. Lawrence River.

They will then move to steel mills by boat.

The project involves power plants, two new towns of total 6,000 population (Gagnonville and Port Cartier).

First production from this project is expected in 1961 and will increase gradually to eight million tons of high-grade iron concentrates annually.

- **Copper Rand Chibougamau Mines** has just started production from its new copper mine in the expanding Chibougamau field of Quebec.

New rail facilities have been completed into this relatively young area and established mines are expanding their production.

Copper Rand will also process ore from its associated company — **Chibougamau Jaculet Mines.**

Concentrates will be further processed at the **Noranda Mines** smelter at Noranda, Que.

Both Copper Rand and Chibougamau Jaculet are part of the group of companies controlled and managed by **Patino of Canada** — Canadian arm of the former Bolivian tin-mining organization.

- **Iron Ore Co. of Canada,** a group of U. S. and Canadian companies which first opened the Quebec-Labrador iron deposits in 1954 when a $250 million project was completed, now is expanding.

At Carol Lake it has started development of a $150 million mine and processing plant to produce six million tons of iron concentrates annually.

This is to be in operation in 1962.

Armco Steel, Hanna Mining, National Steel, Republic Steel, Bethlehem Steel, Wheeling Steel, Youngstown Sheet & Tube are the major U. S. firms involved.

Hollinger Cons. and **Labrador Mining** hold the concessions and **Hollinger - Hanna** manages the operation.

- **Inland Steel** has a subsidiary **(Caland Ore)** opening up a large deposit of iron near expanding **Steel Rock Iron Mines** in northwestern Ontario.

First production from open pit is expected this year with underground production to follow. Production to rise to an annual rate of three million tons.

- **Controlled by Noranda Mines and Anglo - Huronian Mines, North Coldstream Mines** starts production of copper concentrates early this year.

This property in northwestern Ontario formerly was known as **Coldstream Copper.**

The plant was completed and operated briefly before closing down because of low copper prices.

Elsewhere across Canada there are many companies awaiting the right conditions before swinging into large capital expenditure programs to build plants, townsites and many other facilities.

Some are already far enough advanced in underground development, metallurgical and pilot plant tests of extraction processes that only an affirmative decision is necessary.

These include the base metal deposits in New Brunswick where **American Metal** brought a mine to production only to close down because of poor markets and prices.

And **Brunswick Mining & Smelting,** the largest deposit in the district, suspended production plans because of lead and zinc market conditions. Brunswick is operated by **St. Joseph's Lead** of the U. S.

At Wabush Lake in Labrador (near the Carol Lake project) a group of companies led by the U. S. **Pickands-Mather** iron ore merchants is working on a large iron deposit and is making every move toward production other than officially announcing plans.

This group includes Youngstown Sheet and **Tube Interlake Iron** and **Steel Co. of Canada.**

A railway line linking the deposit to the Iron Ore Co. line will be completed this year.

Meanwhile, other properties continue with exploration and testing program.

In Newfoundland, **Advocate Asbestos** is testing on a pilot plant basis.

This large asbestos deposit is controlled by a group of companies including **Johns-Manville,** Patino of Canada, **Amet Corp.,** and **Financiere Belge de l'Asbeste-Ciment.**

There are two copper properties in Newfoundland waiting for an opportune time.

In Quebec, the latest major mineral discovery in Canada has reached the stage of underground development. **McIntyre Porcupine,** Noranda Mines and **Canadian Exploration** (subsidiary of **Placer Development)** are joined in developing the **Mattagami Lake Mines** zinc-copper-silver-gold property.

There are three other discoveries in this area.

Another major deposit which has been known for a number of years is a lead-zinc property at Pine Point on Great Slave Lake in the Northwest Territories.

This is owned by **Consolidated Mining & Smelting.**

Detailed plans for construction of a railroad to this deposit have been completed but a federal government decision is necessary.

This is expected at any time although there is some controversy over the best route.

The line would be built by the government and is designed to serve other known mineral deposits in this part of Northern Canada.

Similarly, the federal and provincial governments are in the midst of developing a "roads-to-resources" program which involves government assistance in construction of roads to open up new areas for exploration and exploitation.

As this program takes hold, a considerable step-up in mining activity is expected.

In 1959, although the pace of exploration activity (for new discoveries) diminished, several important finds were made that will be examined further this year.

These include a high-grade molybdenum-tungsten deposit in the Yukon Territory, also a rich tungsten find.

Part-time Labor From Agency Cuts Costs, Boosts Efficiency

Part-time help in the general labor field through an agency is paying off for several Canadian companies.

It provides:

- **More flexibility** where there are peaks and fall-offs, sudden demands for help.
- **Savings on recruitment,** office detail, fringes and overtime.

"Steady growth of our business shows there is definitely a place for this kind of agency service," Leonard Taylor, president of **Labour Supply Service Ltd.,** says.

Taylor, with vice-president Robert McChesney and secretary-treasurer J. R. Denny, runs the year-and-a-half-old firm in downtown Toronto.

It offers: Car unloaders, warehousemen, factory workers, packers, assemblers, maintenance workers and general laborers for temporary assignment in industry.

While it has counterparts in the office field, Taylor believes his is the first such agency in Canada to specialize in general part-time labor.

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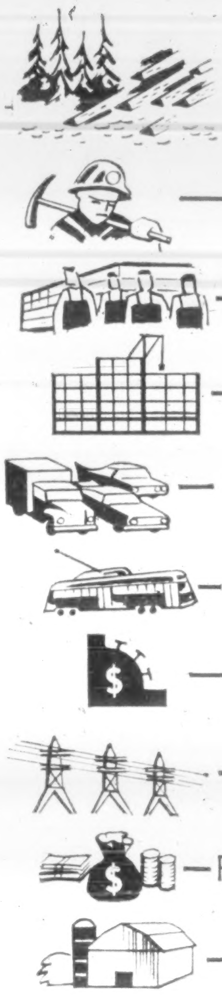
What Canadians Earn

Average of weekly wages and salaries by industry



October	1957 $	1958 $	1959 $
FORESTRY	70.23	72.42	74.40
MINING	85.61	87.95	91.79
MANUFACTURING	70.86	73.36	77.10
CONSTRUCTION	74.12	75.20	79.12
TRANSPORTATION	72.40	76.09	81.72
PUBLIC UTILITIES	80.33	85.05	89.29
TRADE	51.71	60.43	63.26
SERVICES	63.98	67.06	68.27
FINANCE, BANKING	46.55	48.66	50.96
FARMING *	0.72	0.73	0.75

*Hourly wages as per August 15.

What They Can Buy

House	$ 14,500
Small car	$ 1,800
Refrigerator	$ 275
T V set	$ 200
Non-aut. wash. machine	$150
Man's suit	$50
Woman's Suit	$20
Pair of shoes	$ 10
Butter (pound)	70¢
Milk (quart)	24¢
Large bread	22¢
Bottle of beer	18¢
Cigarettes (20)	36¢
Restaurant dinner	$1.50
Whisky (26 ounces)	$4

Sources: Simpson-Sears Fall 1959 Mailorder Catalogue
DBS Cost of Living Index

Labor Income Continues to Rise

Fringe benefits play an important part in union negotiations . . .

- **Labor income** in Canada is over $16,000 million a year.
- **The work force** now totals 6.2 million persons, out of total popoulation of 17.6 million.
- **Pay rates** for Canadian workers are second only to U. S. workers on a world basis.
- **Natural increases** and immigration together have added sharply to the labor force in last few years.

These are some highlights of the labor picture in the country.

And while labor income increased over 8% in 1959 as against the previous year, the outlook is for another rise in 1960.

Several union contracts call for automatic rises this year.

Unions, with contracts coming up, are aiming for pay increases.

And the settlement of the U. S. steel strike — with pay increases for steel workers over next 30 months — will affect Canadian rates of pay.

The gain for U. S. steel workers of some 40c hr. has been welcomed by Canadian labor. It will add force to their own plans for pay demands.

The Canadian Labor Congress — national body of unions in Canada — rejected calls for a wage-freeze in the 1957-58 recession.

Its argument was that higher wages meant higher consumption of goods, and hence more prosperity.

For 1960, with the economy growing rapidly, management expects that labor demands for pay and other benefits will be strong.

The other benefits — such things as vacations, insurance, pensions — continue to be important features of labor contracts in the country.

In new contracts, these added or "fringe" benefits often account for 20% or more of total increases for labor.

Weekly wages of workers continue to rise, government figures show.

Near the end of 1959, average weekly pay of workers in all manufacturing was $71.64 and working week was 41.2 hr.

In durable goods manufacturing, the average pay was $78.78 weekly.

Mining workers earned $86.13, construction workers $77.58 and other categories of labor within general classes averaged much higher earnings.

Certain mining categories went as high as $105 weekly, while petroleum and refining, primary iron and steel workers earned on average over $100 weekly.

Several broad trends are seen in Canadian labor:

- **More machines** and new methods have changed the demands of industry for workers.

Quite often, this has meant fewer workers or demand for workers with different skills.

On overall trend, the numbers of factory workers in certain leading industries (such as automobile manufacturing and steel making) have dropped in relation to the number of office workers required.

This has led to unions placing more importance to recruiting office workers as union members.

It is not an easy job, since office workers have traditionally steered away from union membership.

- **Slow progress** among office workers and losses of plant worker members mean that union growth has stopped in Canada as in U. S.

Another reason may be that unions, recently, have been under verbal attack on several counts, with charges of corruption made in U. S. against some powerful union groups.

- **Canadian industry**, depending on exports heavily, has led a fight to hold the wage line.

High labor costs hurt our exports, they argue, and this issue has become important in Canada.

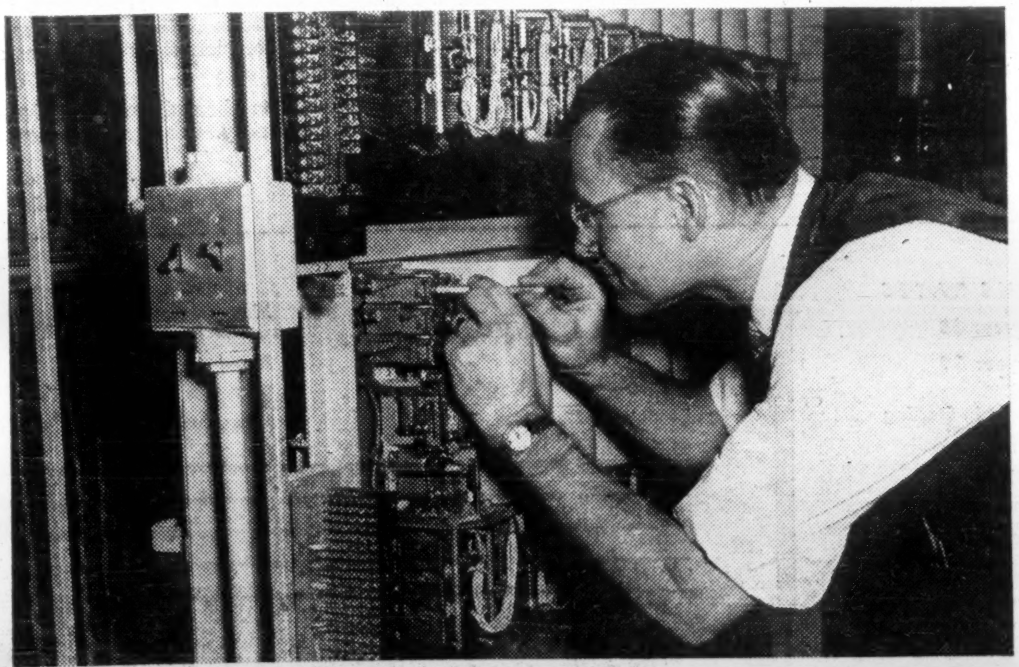
- **Reflecting perhaps** a changed public attitude to unions, there have been moves and suggestions in some provinces to restrict the power of unions.

New labor laws in Newfoundland and British Columbia have done this.

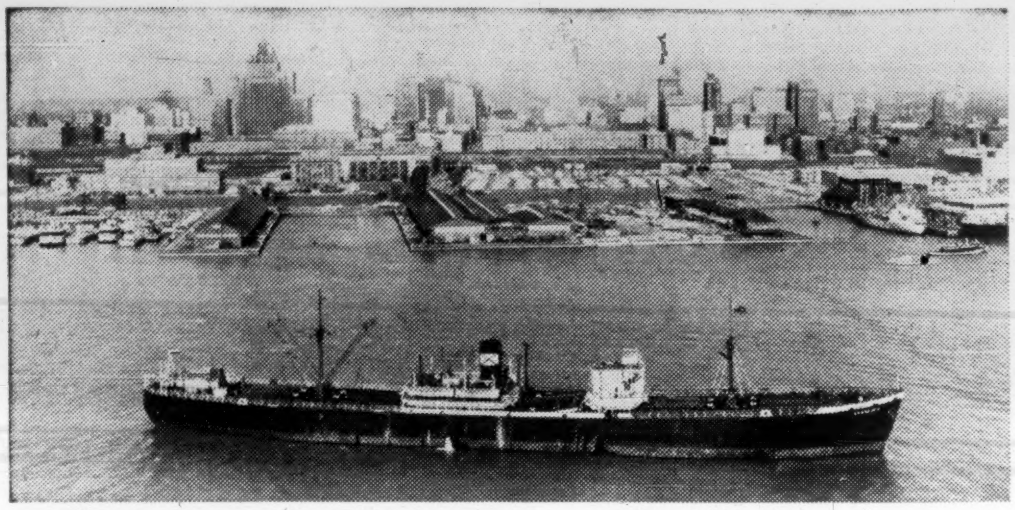
- **Canadian unions** continue their call for "wage parity" with the U. S.

But their argument that Canadian workers should be paid the same as U. S. employees meets stiff opposition, since Canadian production is not so broadly based nor as productive on a per capita worker basis.

- **While the 40-hr. working week** is enjoyed by most workers in manufacturing and certain other industries, there is some talk but little real hope that this will be reduced in the near future.



BY THE END of 1959, average weekly pay of workers in all manufacturing was $71.64 for a 41.2-hour week.



TORONTO HAS extensive expansion program scheduled for its port, to cope with increased traffic, brought about by the opening of the St. Lawrence Seaway.

Plans for New Harbors

Improvements to Canada's harbors—on ocean coasts and the St. Lawrence Seaway — occupied increasing interest during 1959.

Major expenditures are planned by the federal government in 1960 for harbor improvements at Toronto, Hamilton, and the Lakehead cities of Port Arthur and Fort William, all on the Seaway.

Meanwhile, work has proceeded on improving facilities at ocean ports under the jurisdiction of the National Harbours Board — Montreal, Halifax, Saint John, Quebec City, Three Rivers and Vancouver. These include additions to piers, sheds and grain handling facilities.

A new harbor is being developed at Port Cartier, on the north shore of the Gulf of St. Lawrence, west of Sept-Iles.

This is a private development by the **Quebec Cartier Mining Co.** which expects to commence shipping iron ore next year.

Studies which may lead to two other new ocean ports are being carried forward.

One of these would be a year-round harbor at Bay D'Espoir, Newfoundland, where **British Newfoundland Corp.** has plans for a potential industrial port served by readily-available hydro-electric power.

A drilling program is under way to determine what problems would be involved in development of a deep-water harbor at Moosonee, Ont., on James Bay.

If the harbor is developed, **Ontario Northland Railway** would modernize its line from Moosonee to North Bay, to handle heavier traffic.

Canada's Trade With The World

EXPORTS, IMPORTS AND GROSS NATIONAL PRODUCT

	Exports $ millions	% Gross Nat. Prod.	Imports $ millions	% Gross Nat. Prod.	Gross. Nat. Prod. $ millions
1959 (est.)	5,197.5	15.02	5,628	16.27	34,600
1958	4,830.1	14.86	5,192.4	15.97	32,509
1957	4,934.4	15.53	5,623.4	17.70	31,773

CMA Can Aid You To Get Established

The Canadian Manufacturers' Association represents 75%-80% of all manufacturing production in Canada.

It has some 6,500 members in 600 Canadian communities, joined together to help each other and to advance the interest of manufacturing and the free-enterprise economy.

At least 25% of its members have a special interest in the export trade.

An indication of interest is the Export Study Clubs formed by association members in Toronto and Montreal.

During the past year, these clubs have studied export packaging; trading in the West Indies; effects of the St. Lawrence Seaway; financing export sales; political and economic developments in Europe; exporting "know-how"; Latin America and the Middle East.

The association has a permanent staff of about 100 people.

Offices are maintained in Toronto, Montreal, Vancouver, Winnipeg, Ottawa, Moncton, Hamilton, Edmonton, Quebec City, St. John's and Victoria.

The association was founded in 1871 and incorporated by act of parliament in 1902.

The association regularly submits briefs to the government proposing measures to improve business conditions.

It also keeps close watch on all legislation and government regulation.

Some 70 committees of the association study various aspects of government and business such as taxation, tariffs, transportation, industrial relations, exports, insurance.

The association's Commercial Intelligence Department offers a translation service to members and last year handled 931 documents.

By far the most of these translations involved the Spanish language, indicating the interest of Canadian manufacturers in Latin American trade.

There were 542 translations from Spanish to English last year, 15 from English to Spanish; 101 French to English, 60 English to French; 164 German to English.

In addition to the services it offers its members, the association will help industries in other countries planning to set up plants in Canada.

It also takes part in a number of international business conferences abroad and studies legislation and regulations in foreign countries which might have some effect on Canadian exports.

The CMA publishes a monthly magazine Industrial Canada, and Canadian Trade Index, a directory of manufacturers and products, and Industry, a monthly bulletin devoted to the cause of free enterprise.

The association encourages good industrial design by aiding the National Industrial Design Council in its awards to manufactured products of good design.

Its special committee on Education and Manpower works closely with governments, universities and other educational institutions in solving educational problems, particularly the training of engineers and technicians.

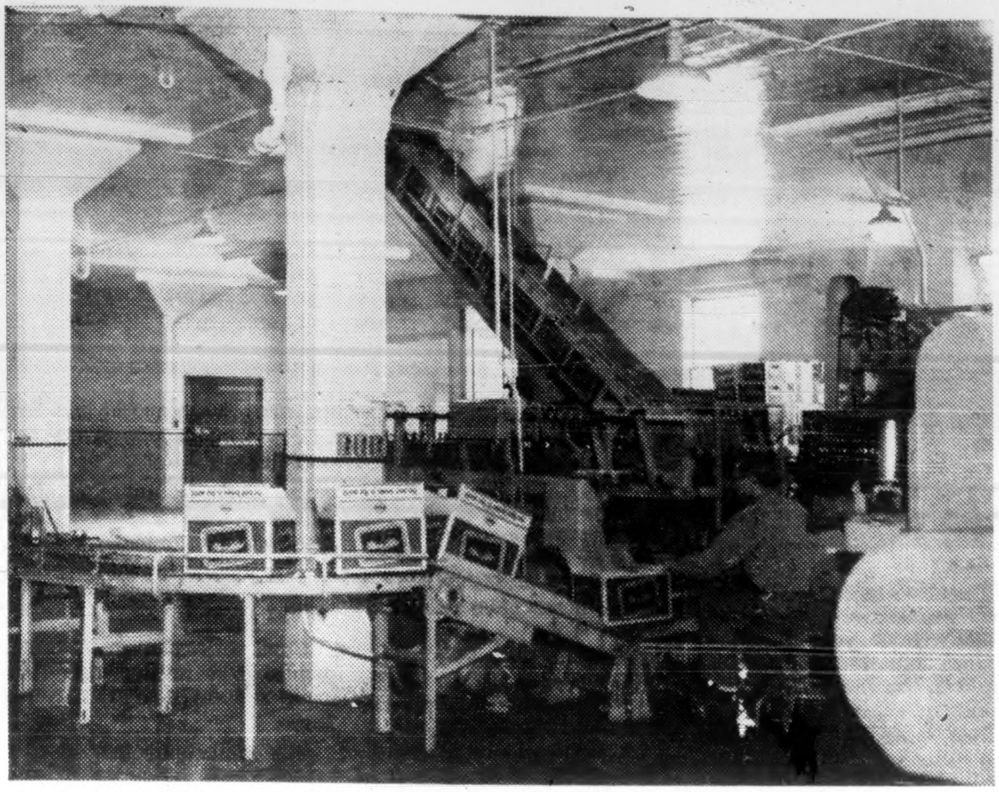
$1,000,000,000 EXPANSION PROGRAM

This ten year plan will more than double Hydro-Québec present installation, increasing it from 4,000,000 to over 9,000,000 hp.

HYDRO QUEBEC

Near completion, the Bersimis-II main concrete dam across the Bersimis River — one of the main works of this 900,000 HP development in the wilderness of Northern Quebec.

THE QUEBEC HYDRO-ELECTRIC COMMISSION



THERE ARE 55 breweries in Canada, employing 8,200 people with an annual payroll of $38 million.

$38 Million From Beer

Canadian brewers are pleased with last year's upturn in the amount of beer drunk per person in Canada.

In 1953, Canadians were consuming about 14 gal. each, on the average, but in the following five years this intake declined some 8% to the 1958 level of little more than 12½ gal. each.

A beer strike in Ontario, Canada's largest producer of malt beverages, during the peak selling months of August and September, sharpened this decline in 1958.

Despite an increase in total consumption of nearly 6% during the five-year period, the average Canadian was drinking less beer. Beer sales were not keeping pace with the growth in Canada's population.

Total domestic sales for 1959 were almost 232 million gal., a gain of 13% over the 204 million gal. sold in 1953, and more than 7% higher than sales made in strike-affected 1958.

As a result, last year's average per capita consumption of beer in Canada rose to 13.3 gal., an encouraging gain for brewers, but still 4% below the 1953 peak.

Some brewers predict that by 1970, when the larger-than-average number of children born during and after World War II will have reached the beer-drinking age, per capita consumption will be more than 15 gal.

Even at that rate, Canadians would not be among the biggest beer-drinkers in the world.

Australians, for instance, drink about 25 gal. each, New Zealanders, 22, the British 18, and West Germans, 16.

In the U. S., where more valid comparisons with Canadian drinking habits can be made, the 1959 average per capita consumption of beer is estimated at 12.7 gal. Sales of beer are estimated to have risen about 4% over 1958.

There are some 55 breweries in Canada, employing 8,200 people with an annual payroll of $38 million.

In addition, more than 50,000 other Canadians are employed in growing barley, working in malting companies, transporting supplies, making bottles, cans, cartons, crowns, labels, and distributing and selling beer.

Costs of materials averaged around $60 million annually.

Since 1953, Canadian brewers have made capital and repair expenditures totaling some $150 million. Plant and equipment expansion in 1959 alone is estimated to have cost about $25 million.

Because 99% of the beer sold in Canada is Canadian-made, imports play only a small role in domestic consumption. However, the steady influx of Europeans to Canada has created a growing demand for foreign brands.

Imports of beers in 1958 amounted to over 351,000 gal., compared with 98,000 gal. brought into Canada in 1948. Of this total, 280,000 gal. came from the U. K., 28,000 gal. from the U. S., 26,000 gal. from Western Germany, and lesser amounts from Denmark, The Netherlands and Japan.

In the first nine months of 1959, imports totaled about 204,000 gal., 28% lower than in the like 1958 period. Half of the drop was in purchases from the U. S.

While Canada continues to sell abroad nearly 10 times as much beer as she imports, exports are only a little more than 1% of domestic consumption.

In 1958, exports amounted to almost three million gal., compared with 1.7 million gal. in 1948. Foreign sales in the first six months of 1959 totaled 1.4 million gal., slightly less than in the first half of 1958.

Chief markets abroad for Canadian beer are the U. S. Indies.

The sale of beer and spirits in Canada is under the control of the provincial governments, and all provinces exercise a monopoly in its sale with the exception of a limited number of retail outlets allowed to the brewers and, in the Province of Quebec, sale of beer in some classes of grocery stores.

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CANADA

Rye Whisky Third Biggest Export

Whisky is one of Canada's leading exports, ranking third, after farm machinery and aircraft, in value of finished products sold abroad.

In 1958, Canadian rye whisky exports topped 8.2 million gallons valued at over $70 million.

Chief market was in the U. S., which, as consumer of four fifths of the world's output of whisky, took 90% of the Canadian export worth **$64.3 million.**

Second best customer was Japan, **$1.3** million, followed by **West Germany, $637,000,** the **U. K., $516,000,** and Bermuda, **$422,000.**

Other large importers of Canadian whisky included Mexico, Cuba, Bahamas, The Netherlands, Azores Islands and Madeira.

In the first nine months of 1959, sales of Canadian whisky abroad reached $53 million, a gain of **26%** over the **$42** million sold in the corresponding period of **1958.**

The increase was largely due to a more than **$10** million jump in sales to the U. S., to a total value for the period of **$48.2** million.

Nine-month whisky exports to Japan doubled in the year's comparison, and there were substantial increases in sales to West Germany, Italy and France.

Sales to Mexico fell off sharply during the period, and those made in the U. K. were also lower than at the end of September a year earlier.

Since export sales in the last three months of the calendar year normally account for about 40% of the 12-month total, Canadian whisky exports for the whole of 1959 may have a value in excess of $85 million if the trend in the first nine months is maintained.

Despite the growing popularity of the Canadian product throughout the world, sales are held back in some areas because of currency restrictions.

Canadian whisky has been shut out of most of the sterling nations since 1948.

These restrictions were removed in Britain in 1957. Whisky drinking there, however, is still largely confined to the local product, Scotch, which elsewhere in the world is Canadian whisky's chief competitor.

In the U. S., for instance, 9% of all whisky consumed comes from Scotland against 6% from Canada.

Scotch whisky also takes about 17% of the Canadian market; the remainder is almost entirely satisfied by domestic rye.

There were 21 distilling establishments in Canada in 1958, nine in Ontario, seven in Quebec, three in British Columbia, and one each in Alberta and Nova Scotia.

Over 5,000 people were employed in these plants with salaries and wages totaling $20.5 million.

Canada Exhibits Overseas

The Canadian government held or participated in 22 trade fairs in foreign countries in 1959, plans about the same number of exhibitions this year.

These trade fairs are regarded as key show windows for Canadian goods abroad. Both Canadian government and industry plan to participate in more and more of them.

Last year's shows ranged from the enormously popular solo shows in the winter in Kingston, Jamaica, and Port-of-Spain, Trinidad, to a tiny fur salon put on in a hotel suite in Vienna in April.

The West Indies fairs drew over 75,000 people each, the fur display, perhaps 250 specialist buyers.

Canadian trade shows abroad may be of two kinds:

- **The solo show,** which is arranged entirely by Canada to display Canadian products.
- **The participant show,** in which many countries exhibit goods.

Both types of shows may be general (showing all kinds of merchandise) or vertical (catering to the products of a single industry).

In the last few years, the trade fair has become almost as firmly established as the trade commissioner service as an instrument to promote Canadian sales abroad.

In the 10 years after the World War II, the government spent an annual $100,000 to $150,000 on trade shows.

They were planned on the recommendation of trade commissioners abroad and of commodity officers in the trade department.

Right after the war, Canada held some half dozen foreign trade shows a year. By 1955, there were 11.

The trade shows appropriation was boosted by 40% in 1956 ($258,000 from $151,000) and has risen steadily since.

Next year, the program will cost $547,000.

At the same time the number of shows was increased and new kinds of goods are being shown.

Of the 1960 Canadian shows, two will be held in West Berlin, and three behind Iron Curtain countries. There will be special solo fur shows in Milan and Paris.

Trade Fair Program for '60

Fair	Time	Exhibiting
National Ass'n of Home Builders Convention, Chicago	Jan. 17-21	Building supplies
Berlin Green Week	Jan. 29-Feb. 7	Agricultural products
National Sporting Goods Ass'n Convention, Chicago	Jan. 31-Feb. 4	Sporting goods
Daily Mail Home Exhibit, London	March 1-26	Consumer goods, foods
Fur Salon Display, Milan	March 21-25	Pelts, fur garments
Fur Salon Display, Paris	April 4-6	Pelts, fur garments
Rand Easter Show, Johannesburg	April 4-23	Engineering, forest products; furs
Atomfair, New York	April 4-7	Atomic materials
American Tool Engineers Show, Detroit	April 21-28	Machine tools
Commonwealth & European Food Festival, London	April 25-May 7	Foods
Frankfurt Fur Fair	April 28-May 1	Pelts, fur garments
National Bakers' Show, Amsterdam	May 10-19	Wheat
Design Engineering Show, New York	May 23-26	Mfg. equipment
Building Trades Exhibition, Cardiff	June	Building supplies
International Specialty Food Show, Chicago	July 10-13	Specialty foods
International Trade Fair, Poznan, Poland	June 12-26	Products of Industry
British Food Fair, London	Sept. 1-17	Foods
International Trade Fair, Brno, Czechoslovakia	September	Products of Industry
International Trade Fair, Zagreb, Yugoslavia	Sept. 5-20	Products of Industry
German Industries Exhibition, Berlin	Sept. 12-27	Products of Industry
Building Trades Exhibition, Manchester	Oct. 11-12	Building supplies
National Metal Congress, Philadelphia	Oct. 17-21	Machine tools

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WW 54

Record Steel Output

Primary steel production in Canada reached a new peak in 1959 at 5,900,000 ingot tons.

This is approximately 35% higher than the previous year and 11.5% up on the former record year in 1956.

The generally high pace of industrial activity increased steel demand as the year progressed.

The prolonged steel strike in the U. S. had a moderate impact on the steel demand picture as well.

The steel producers have moved into 1960 in the strongest order position in history.

Three of the four basic producers are operating at capacity, the fourth at around 80%.

It looks now as if this high operating level will hold throughout the first half of the year at least.

Demand for flat rolled products is particularly keen with all types of sheets and most plates now on allocation to ensure as equitable distribution among customers as possible.

This system is expected to continue throughout all of 1960.

The fast postwar expansion pace that has seen industry capacity doubled, is still continuing.

Ingot capacity (including basic open hearth, electric furnace and oxygen converters) has now grown to around 6.5 million a year.

In the same period diversification programs have broadened the industry's range of products very sharply.

A quarter of a century ago Canada had to import over one half of its steel needs.

Today imports have shrunk to around 25%-30% of a greatly expanded over-all consumption rate.

Canadian per capita consumption of steel is second highest in the world at around 800 lb.

But it is still running considerably behind that in the U. S.

Since the Canadian economy is developing in much the same fashion and along the same general industry lines as in U. S. there is every likelihood that this consumption spread will narrow further over the years ahead.

Canada's largest steel producer—**Steel Co. of Canada**—forecasts that production of steel in this country will expand to 11,850,000 tons a year by 1980.

Steelmen see little likelihood of any expansion in steel exports from Canada, virtually negligible now.

But competition from imports from Europe and Asia is expected to sharpen further.

The completion of the St. Lawrence Seaway now widens the marketing scope of foreign steel in Canada.

It has enabled imports which formerly were competitive only in the Maritimes and Quebec markets to penetrate right into the big heavily industrialized Great Lakes area in the open navigation season.

Canada's steel industry consists principally of four integrated companies with an aggregate capacity of around 5.5 million ingot tons a year — the largest with a capacity of some 2,500,000 tons and the smallest about one million tons.

There is also a large alloy steel company and a dozen or so smaller mills melting scrap in small furnaces or rerolling purchased steel.

Only one of the big four in the steel industry has no vested interest in iron ore production.

The No. 1 firm — Steel Co. of Canada — besides owning its own Canadian ore, mines has a 10% participating interest in a large taconite development in Minnesota.

Like steel industries in other countries companies face a rising capital equipment cost which has multiplied by three times at least since before the war.

This has led to increasing efforts to produce more from existing equipment.

By improving the raw materials charged to the blast furnaces output per furnace is being expanded substantially.

Both **Dominion Foundries & Steel Corp.** and **Algoma Steel Corp.** are adding to their oxygen steel-making capacity.

Here briefly are the expansion and diversification projects presently under way or planned by the four integrated steel-makers:

Algoma boosted capacity by 30% to 1.6 million tons-a-year rate in 1959.

Biggest item was construction of a new bloom and plate mill.

Biggest expansion in the current year will be construction of Canada's first plant to make wide-flange beams.

The $15 million project is expected to be finished late this year.

The company is studying plans for replacing more open hearth steel production by oxygen steel-making facilities.

Dominion Foundries will build a third blast furnace at its Hamilton, Ont., bay front property.

This will increase pig iron capacity by some 50%.

The company will also install a second continuous galvanizing line.

Dominion Steel & Coal Corp. has held discussions with **Sogemines Ltd.** with a view to joint ownership of a new company to build and operate a flat rolled products mill in the Montreal area.

Steel Co. of Canada has a further $80 million expansion program under way.

This includes a new 300-ton capacity open-hearth furnace, and improvements and addition to rolling and processing equipment. Ingot capacity will be increased nearly 25% to three million tons annually from the present 2.5 million tons.

STEEL PRODUCERS have moved into 1960 in the strongest order position in history.

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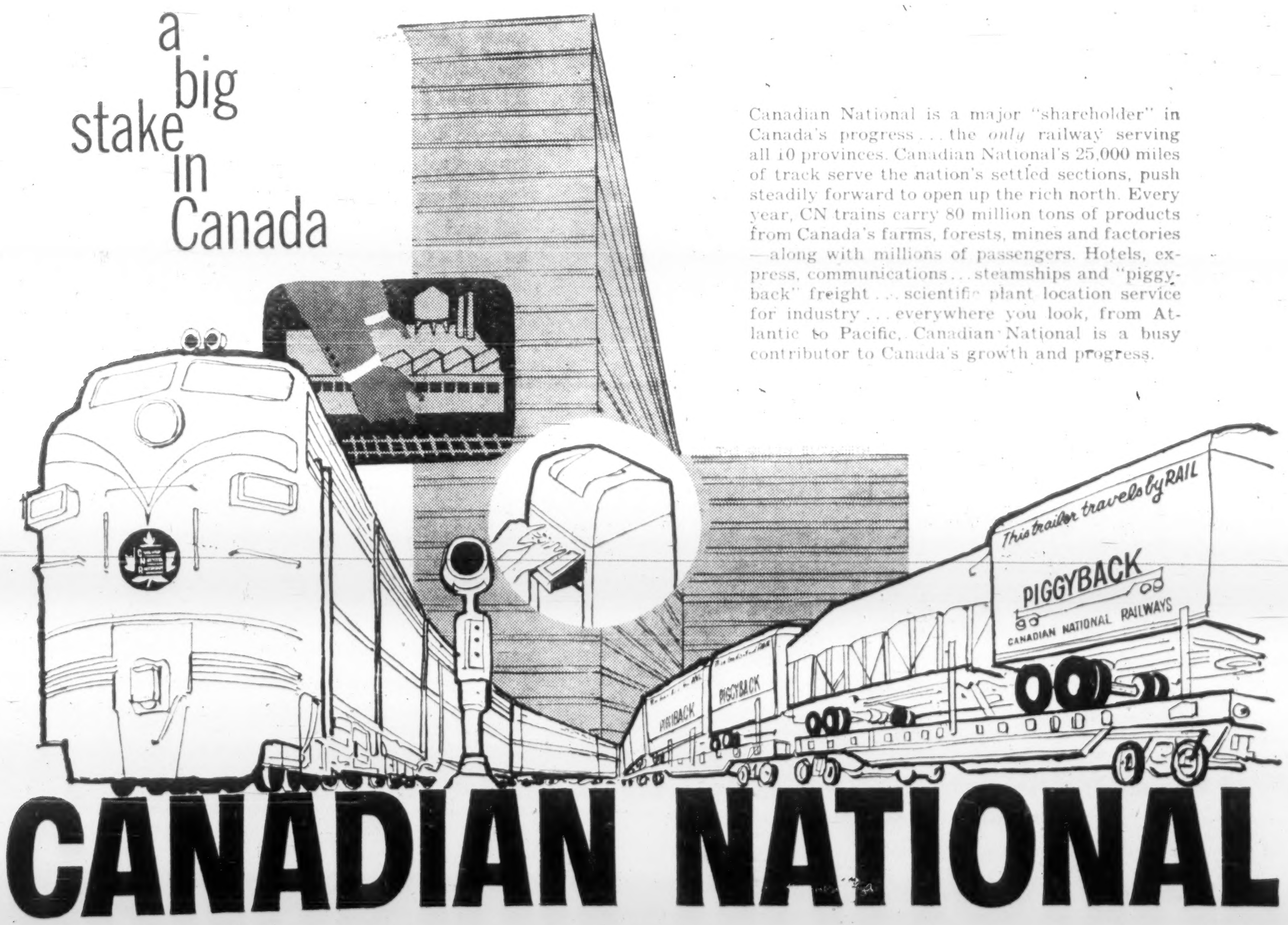

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CANADIAN NATIONAL

Canada's Stock Pattern

Six stock exchanges across Canada provide investors with a convenient market to deal in Canadian securities.

They are in: Toronto, Montreal (two), Winnipeg, Calgary, and Vancouver.

Biggest is the Toronto Stock Exchange with the largest listing of industrial stocks in Canada. It is also the busiest market for junior mining and oil stocks in North America.

The Montreal Stock Exchange deals primarily in industrial stocks. The Canadian Stock Exchange (also in Montreal) lists industrial, mining and oil issues.

The three smaller exchanges also trade both industrial and natural resources issues. In Calgary, trading emphasis is on lower-priced oil stocks.

Stocks are frequently listed (admitted to trading) on two or more Canadian exchanges. Some are also listed on the New York and other U.S. stock exchanges.

Many foreign investors are able to place their orders on the Toronto market through their own stockbrokers.

Brokerage firms in Central and South America, Europe, Africa and Asia are affiliated with the Toronto Stock Exchange as non-member brokers.

Most of the transactions put through by these non-member brokers are for higher-grade industrial stocks.

An innovation by the Toronto Stock Exchange in 1959 was the admission to the trading list of gold bullion.

It resulted from the growing public interest in the yellow metal and the fact that the Canadian government had removed its restrictions on the buying, selling, import and export of gold by individuals.

Canada is one of the few countries in the world where gold may be bought and sold freely.

The accompanying table shows the share and dollar volume of trading carried out on Canadian stock exchanges for the past five years and in 1949.

A breakdown of the 1959 figures for the principal exchanges shows:

- **At year-end, there were 1,130 stocks listed** on the Toronto board—650 industrials and 480 mining and oil issues.

Industrials made up 9% of total share turnover in the year but provided 62% of dollar value. Mining and oil stocks accounted for 91% of share volume, 38% of dollar value.

In 1958, trading in industrials was 5% of the total, mines and oils, 95%. (Breakdown of dollar values is not available for 1958 and prior years.)

- **Combined volume of the Montreal and Canadian stock exchanges in 1959 was split 18% to industrials, 82% for mines and oils. The year before, corresponding figures were 14% and 86%.**

These exchanges do not publish separate statistics or a breakdown in dollar value of trading.

The Montreal exchange listed 320 stocks at end of 1959, 300 of which were industrials. The Canadian Stock Exchange had 190 industrial, 350 mining and oil stocks.

Trading on Canada's Exchanges

(In thousands)

Stock Exchange	1959		1958		1957		1956		1955		1949	
	Shares	$	Shares	$	Shares	$	Shares	$	Shares	$	Shares	$
Toronto	763,250	1,860,422	828,599	1,505,862	936,096	1,864,831	1,353,330	2,510,752	1,519,694	2,699,009	249,230	452,652
Montreal & Cdn. (comb.)	143,913	902,599	134,160	740,909	148,094	846,573	274,976	1,164,230	252,378	1,161,750	51,085	298,313
Vancouver	31,681	58,111	31,510	48,730	34,633	51,511	52,032	49,279	59,890	61,182	16,062	17,282
Calgary	21,307	6,337	19,098	9,607	49,872	18,807	58,256	24,203	47,116	14,937	31,278	7,872
Winnipeg	668	1,668	616	1,032	930	990	1,908	1,783	1,150	2,743	1,336	1,256

Share volume and dollar value of trading on the exchanges have increased three to four times since 1949.

Turnover in the past three years has been smaller than in the hectic trading days of 1955 and 1956, when speculative interest in uranium, copper and oil stocks was at its peak, pushing volume up to record highs.

But as interest in the lower priced mining stocks waned, investors turned their attention more to industrial issues.

Dollar value of all transactions has declined far less than the drop in share volume.

Turnover on the Toronto board in 1959 was 50% of the record 1955 volume, while dollar value declined only 31%.

On the two Montreal exchanges, share volume declined 43%, dollar value of transactions 22%, in the same period.

The stock market pattern in 1959 was one of prices rising steadily to a peak in July-August, followed by a sharp break to the levels of the beginning of the year.

The downslide was accompanied by relatively light volume. Reluctance to buy was more evident than anxiety to sell.

Measured by various stock exchange indexes (which reflect price movements of certain representative stocks), industrials ended the year moderately above 1958 closing levels.

Gold and base metal issues showed slight index drops. Western oils closed at their lowest levels in some years.

Lack of interest in the market was an aftermath of a tighter money policy instituted in mid-1959.

Rising interest rates drew funds out of the stock market into bonds which offered yields of 6% and better.

(Average yield on 114 dividend-paying stocks at end of the year was 4.44%.)

Foreign investment in Canadian equities slowed down.

Uranium stocks — popular traders in recent years—aren't as attractive now, and uncertainty over the rate and direction of growth of Canada's oil and gas industry kept investors on the sidelines.

Premium on the Canadian dollar continued to cut into earnings of Canadian companies selling in export markets or competing at home with imports.

Stock prices of these companies were softer and this showed up in the market averages.

For 1960, some market observers have predicted an early dip in stock prices, followed by a rise later in the year.

In the bond market, the outlook is for moderately lower bond prices, higher yields and borrowing costs.

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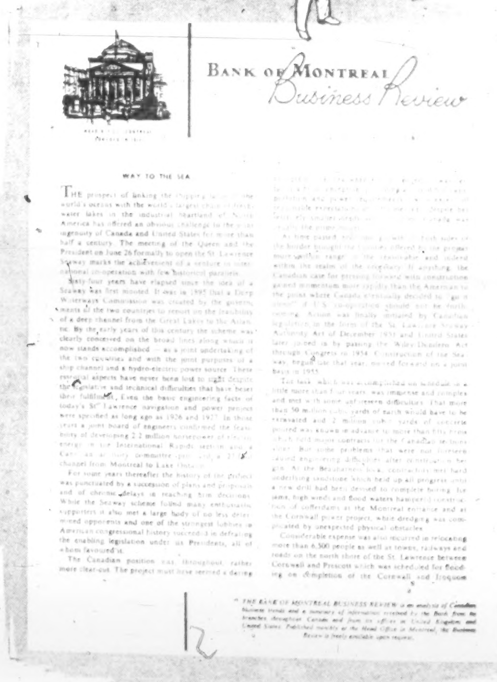

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Trade

Record Year?

Canada is hoping that 1960 will be the biggest year for foreign trade that it has ever had.

In 1959 Canadian exports were higher than ever before. They came to $5,130 million, about 5% higher than the two previous years. But the last two months of 1959 showed a remarkable surge in export sales, which suggested that 1960 might reach a level well above the earlier part of 1959.

November and December exports were 13% higher than the previous November and December. More than half of this big increase was in sales to the United States, but there were also big increases to the United Kingdom and to other foreign countries, including Western Europe.

This was the most hopeful sign, because Western Europe's purchases from Canada had lagged throughout most of 1959.

Canadian imports in 1959 were also very close to the record highs of the recent boom, though the 12 months' total of $5,654 million was only $56 million below the record of $5,710 million reached in 1956. Even if they don't quite match the record, they must have exceeded exports by nearly $500 million.

This big deficit, added to the deficit Canada always incurs on "invisible" items, such as freight charges, interest and dividend payments, and travel expenditures, indicated an excess of spending abroad which would again come to something approaching $1,400 million.

This is covered, as it has been in recent years, by the inflow of capital discussed in another article in this report. But it is giving increasing concern to many Canadians.

The most striking changes in 1959 foreign trade were the reduction in the U. S. share of Canadian imports and the increase in its share of exports.

In recent years the United States has bought about 59% of Canada's exports: in 1954 and 1955 it was 60%, but was lower in 1956, '57 and '58. Last year it rose to very nearly 62%.

In 1955 and 1956 the United States supplied 73% of Canada's imports. But in the last three years this proportion has been falling. It was only 71.1% in 1957; 68.8% in 1958; and on 11 months figures it fell to 68.1% in 1959.

The reverse process has been operating with Canada's second trading partner, the United Kingdom.

Exports to the United Kingdom in 1955 reached the high point of recent years when they constituted nearly 18% of all Canadian sales abroad. Since then the U. K. proportion has fallen. It was less than 17% in 1956. 1957 brought it to a new low at 15%. In 1958 it was back to nearly 16%; and last year the U. K's share was back down to 15.4%.

Sales to other Commonwealth countries also fell back from the unusually high proportion of 6% in 1958 to 5.3%, which is nearer the average of recent years.

But as suppliers of Canadian needs the United Kingdom and other overseas countries have divided the share of imports which the U. S. has lost.

The U. K.'s share of Canadian imports fell to 8.5% in 1955 and 1956. Since then it has recovered to 9.3% in 1957, 10.1% in 1958, and (on 11 months) 10.6% in 1959.

Other Commonwealth countries hit the low point of their participation in the Canadian market in 1956, at 3.9%. Last year they were back to 4.3%.

Other foreign countries, a group which includes Western Europe, Latin America and

(Continued on page 27)

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No Shortage of Capital To Spend on Development

(CONTINUED FROM P. 4)

rect investment and $875 million which does not carry control.

Details for these other countries are not so easily compiled; and the latest official figures show only the amount of direct investment at the end of 1957.

The U. S. and U. K. totals of direct investment at the same date are shown for comparison.

DIRECT INVESTMENT IN CANADA
End of 1957

Country	Total $ Millions
United States	8,475
United Kingdom	1,157
Belgium	[illegible]
France	95
Switzerland	85
Germany	54
Netherlands	23
Sweden	13
Panama	10
Australia	5
Other sterling area	7
Other Latin American countries	3
Other OEEC countries	4
Unidentified	33

The rate at which foreign capital has been attracted to Canada in recent years has been very high indeed. Naturally it was highest in the latter part of the boom in development of natural resources (principally oil, gas and iron ore) which lasted from 1955 to 1957.

The impulse comes both from foreigners with funds to invest, and from Canadians with projects for which they need capital.

In the last four years Canadians actively seeking foreign capital have formed the larger group; and this represents a change from earlier years. It is one of the reasons why a number of influential Canadians have been sounding a note of warning with growing insistence.

Another reason is that the rate of capital inflow was reduced very little in 1958, and rose again in 1959 to nearly the record level of $1,424 millions which was reached in 1957.

In the latter part of 1957, and through most of 1958, Canadians found they were going through a period of slackness in the economy.

Therefore they expected that imports (and the corresponding foreign capital) would be considerably lower than they were during the period of very rapid growth.

What they had forgotten was that the imports of real goods were only part of the foreign bills to be met. In the slacker business conditions of 1958, the excess of imports over exports (in physical goods) was very much smaller than in the previous boom years. But all the other payments due to foreign countries kept on increasing.

These include the money Canadian travellers spend on foreign trips; and in these prosperous times Canadians are travelling more than ever.

They include payment for freight and shipping on both imports and exports, for Canada always spends more with the carriers of other countries than its own carriers earn.

But above all it includes the cost of all this foreign capital. Payment of interest and dividends to the foreign investors who have put money into Canada is now costing some $450 millions per year.

After deducting all the interest and dividend payments received on account of Canadian investments abroad, the net outgo of funds from Canada in 1958 came to $300 million on account of dividends due to foreign companies and individuals; plus about $120 million in interest on bonds and other Canadian borrowings.

This annual drain has been a steadily increasing sum, and it is bound to get larger as Canadian borrowers pay for new bonds issued in New York at the higher interest rates of the last two years.

In recent years the service of previous debts has been plentifully covered by the new Canadian bonds sold in New York.

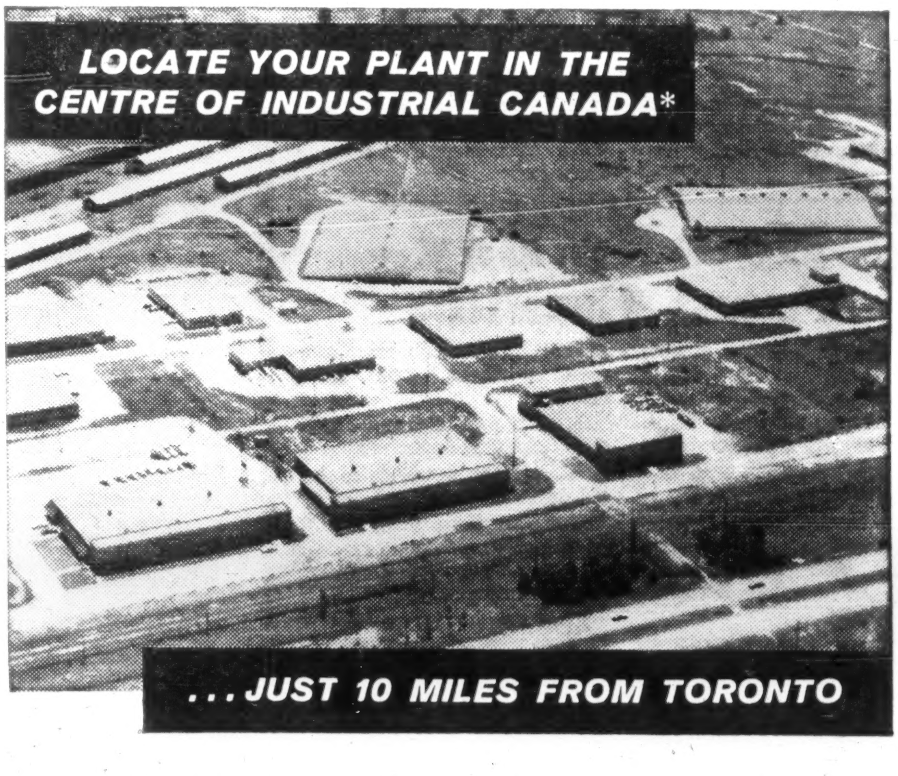
Indeed the new money coming into Canada has kept the Canadian dollar at a premium above the U. S. dollar.

The governor of the Bank of Canada, James E. Coyne, has recently issued two strong warnings.

He said in one speech that Canada had been "living beyond its means on a grand scale" for at least five years; and that the very high rate of capital investment should be reduced to a level which Canada's own savings could finance.

He said in another speech that "no country as advanced as Canada should allow its pattern of employment to be moulded" by dependence on foreign capital to so large an extent.

No minister of the government explicitly supported Mr. Coyne's view; but it was being much discussed by Canadians in the early months of 1960.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The following Post feature reports, to appear during 1960, will provide essential reading for Canada's biggest buyers of varied products and services. Date of publication for each is included.

Industrial Equipment	**April 30**
Power and Public Utilities	**May 7**
Report on Britain	**May 21**
Office Equipment	**May 28**
Chemicals and Plastics	**June 18**
Steel and Steel Fabrication	**July 9**
Report on Japan	**August 20**
Report on West Germany	**September 3**
Pulp and Paper	**September 17**
Report on Sweden	**October 8**
Electric Power	**October 15**
World Travel	**November 12**
Report on Italy	**November 19**
Report on Australia	**November 26**
Oil and Gas	**December 3**
West Indies Report	**December 10**

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ONCE IT LEAVES the final assembly line, General Motors' new Corvair moves directly onto the wheel alignment unit.

Industry Changed By Compact Cars

Compact cars arrived on the Canadian scene in full force in 1959, and already there are signs that they will bring significant changes to the automobile industry.

- **As manufacturers swung** into 1960 production, nearly 20% of the cars scheduled were the new compact models.
- **Canadian auto makers** were looking to the compacts to try to regain part of their lost share in world markets.
- **American Motors**, which pioneered the compacts with its Rambler several years ago, announced plans to resume production in Canada.

All Canadian automobile makers produced compacts in 1959.

- **General Motors of Canada** erected a new factory adjacent to its main plants in Oshawa to produce the air-cooled rear-engined unit body Corvair.
- **Ford Motor Co. of Canada** produced not only the Falcon, originated by its parent company in the U. S., but also the Frontenac, a Canadian modification of the Falcon.

These were assembled on its regular passenger car line at the company's Oakville plant.

- **Chrysler's Valiant**, also a unitized body vehicle, is being built along with the company's other lines at Windsor.
- **Studebaker**, which introduced its Lark in Canada in November, 1958, saw Canadian sales nearly double in 1959.

Smaller than the regular volume production lines of Canadian cars—the Chevrolet, Ford, Meteor, Plymouth and Dodge — the compact cars are larger than most cars produced in Europe and imported into Canada.

Wheelbase of the compacts ranges from 106 in. to 109 in.

They are powered by six-cylinder engines in the 90 hp. to 100 hp. range (with some eight-cylinder options).

Gasoline economy is reported considerably better than that of standard North American automobiles.

Among the major producers, Ford built about 5,000 Falcons and Frontenacs during the latter part of 1959 but the other companies were hampered by shortages of steel because of the U. S. steel industry strike.

Demands from dealers for the new smaller cars were such that, after volume production was resumed in the plants late in December, nearly 20% of all cars scheduled were among the new smaller models.

While major importers of European cars have expressed confidence that this development would not hurt their sales, because most of the imports are smaller and less expensive than the compacts, Canadian producers have been gearing their 1960 sales efforts toward wresting back part of the Canadian market that has been taken over by the imports.

The year 1959 saw a new record in sales of motor vehicles in Canada.

For the first time sales of new vehicles exceeded half a million units — approximately 427,000 passenger cars and 80,000 trucks.

But imports took a larger share of the market than ever before.

More than 113,000 European-built cars, about 26% of total sales, came into Canada.

In 1958, sales of European cars in Canada amounted to 75,000 units.

This compared with 49,000 in 1957 and 34,000 in 1956.

Among the European lines, **Vauxhall** made the most spectacular gains in 1959, more than doubling sales — from 13,488 in 1958 to 27,000, or 6.3% of the market.

British Ford lines increased their sales more than 40%, to about 11,000.

Volkswagen pushed up its total slightly, to more than 26,000 or 6% of the market, but lost first place among the imports to Vauxhall.

There are now 4.9 million motor vehicles on Canadian roads, one for each 3.4 persons in the country.

Of these, 3,750,000 are passenger cars, one for every 4.6 Canadians.

Total vehicles in use increased by 4.2% last year.

Canadian motor vehicle factories produced 368,279 vehicles, up 4% from 1958.

Passenger cars represented 300,743 of the total.

Truck sales increased about 15% over 1958 figures, and production in Canadian factories was up about 10%.

Sales of European trucks in Canada have increased steadily, but they have taken a smaller share of the market than have European passenger cars. Imports sold, and percentage of the total market, were:

- **1959**—8,300 units, 10.5%.
- **1958**—6,697 units, 9.8%.
- **1957**—4,367 units, 5.7%.
- **1955**—2,466 units, 3.1%.
- **1955**—2,466 units, 3.1%

At year's end, American Motors announced that it will set up a plant in the Toronto area to produce Ramblers and possibly other models. Production probably will start later this year, **on 1961 models.**

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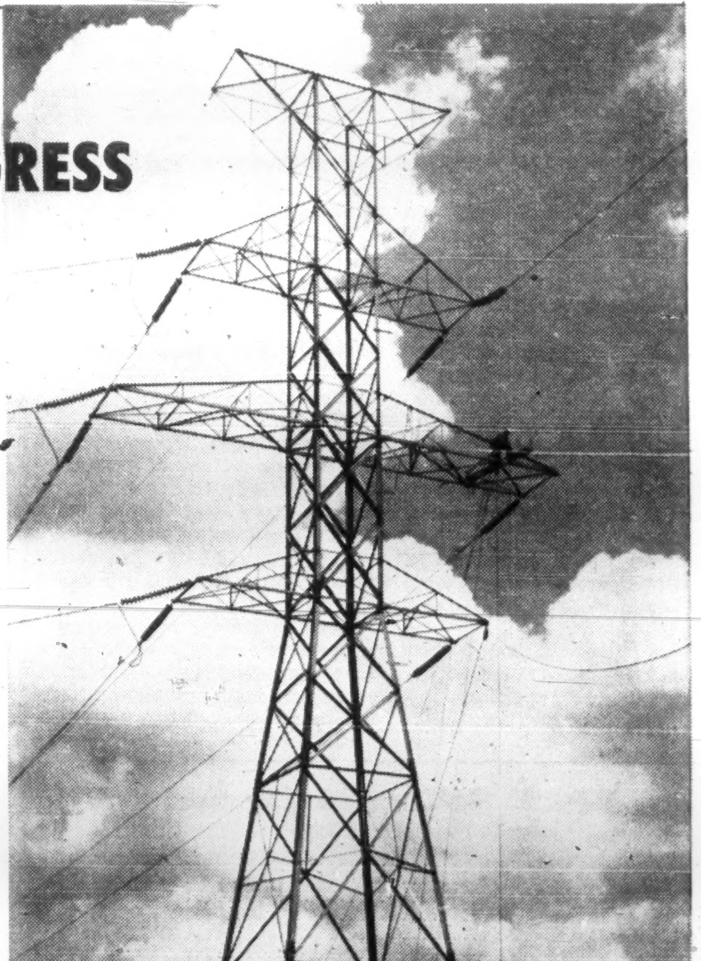
In the past five years alone, 580 new industries have come to Ontario—1750 existing ones have expanded. This represents a major percentage of Canadian industrial growth. What are the reasons behind this progress?

■ ⅓ of Canada's population lives in Ontario. Their personal disposable income is $9 billion, 40% of the Canadian total. ■ Ontario produces 50% by value of Canada's manufacturing production. The country's largest skilled labour force is here. ■ Raw materials are readily available including wood products, farm produce and minerals in great quantity. Ontario produces nearly 38% of Canada's mineral output. ■ Strategic location in relation to North American and world markets means easier importing of special raw materials.

Among the great advantages of choosing Ontario as a business site is the abundance of electric power throughout the Province, at a cost that is one of the lowest in the world. Ontario Hydro has 68 hydro-electric stations and 2 major thermal-electric plants. Six projects are under construction to bring Ontario Hydro's power resources to 8 million kilowatts by 1964.

Address all enquiries to:
The Trade & Industry Branch, Department of Planning and Development,
454 University Avenue, Toronto, Ontario, Canada.

ONTARIO HYDRO



How To Sell In Canada

How do you sell in the Canadian market?

Its vast area, two major cultures and languages are just two of many other factors that call for careful study by foreign business men.

Despite the problems, it has been done and is being done with success now.

"This is a highly competitive market and that means you must tailor your program to fit it," one analyst says.

"It cannot be sold in the way a less competitive market could be exploited."

In concrete terms, this may come down to a bigger program of development than some other markets might require.

Businessmen entering the Canadian market have found they must plan for a longer-term as far as investment goes.

They have found they must spend a major amount of money on sales, advertising and promotion.

The selling costs are higher than in many other parts of the world.

But there is one big advantage which the market offers, besides its rich potential:

You can plan to enter and develop one economic region at a time.

Canada has been divided, for marketing purposes, into five general areas—each one, of course, with its own internal differences.

Marketing men suggest these points to keep in mind when thinking of Canada's market:

- **If possible, lay plans for only one** of the country's marketing areas to start with.
- **Study the market carefully,** to see if demand warrants the entry of your products.

Goods which would sell well in a European country, for example, might not find buyers here.

- **Plan a promotion and advertising effort** that will be big enough and good enough to do the job.

These merchandising methods are very necessary in the Canadian market.

- **Count on making personal visits** to your distributors and major clients.
- **Pricing of the products** will be important.
- **In the consumer field,** styling and design are big factors as well as durable quality.

A well-made, durable product might fail if its design does not appeal,

- **Among the selling methods** used in Canada, the packaging of the product is often either desirable or necessary.

Packaging is common even in the hardware field.

To a large extent, the package which a manufacturer puts on its product is an aid to selling — a merchandising tool to attract attention.

- **A smooth system** for distributing your product should be planned.

Distances are great. Even after your shipment reaches Canada, there are many miles between the major economic regions.

- **Do not forget the major trends** in the way Canadians prefer to do their shopping.

There has been steady growth in self-service stores for all kinds of products.

Also, there is a growing trend to shopping at one store or in one group of stores forming plazas or shopping centres.

- **To study the market** and to sell your products, you may find that Canadian organizations are best fitted to help you.

From market surveys to promotion and advertising, they can offer a complete background of conditions, customs and buying habits in Canada.

How To Buy From Canada

Canada is a major trading nation.

As a source for materials and goods, it commands the attention of world businessmen.

What is available and how do you buy from Canada?

The country is a leading supplier of farm products, fish, primary and semiprocessed metals and minerals and forest products.

Today, a wide variety of manufactured goods is sold abroad as well.

There are several ways to obtain information on Canadian goods.

Canada maintains many offices in other countries, headed by trade commissioners.

It is their job to help promote Canadian trade.

They are ready sources of information and help to the buyer or agent.

Here are points you should keep in mind if you are thinking of buying from Canada:

- **Inform the Canadian trade commissioner** in the area so that your name is known. From this source you may obtain data on what is available.
- **A major effort of the Canadian government** in Ottawa is devoted to foreign trade, chiefly through the Department of Trade and Commerce.

Its activity includes arranging exhibitions, Canadian participation in international trade fairs, commodities, providing information on Canadian products and many others.

A great deal of data is available from this department.

- **Watch the trade fairs** and exhibitions.

Canadian firms take part in co-operative exhibits arranged by the government in several such fairs every year.

They are a very useful way to see what is available, to learn details of quality, price and shipping.

- **Check information on tariffs.**

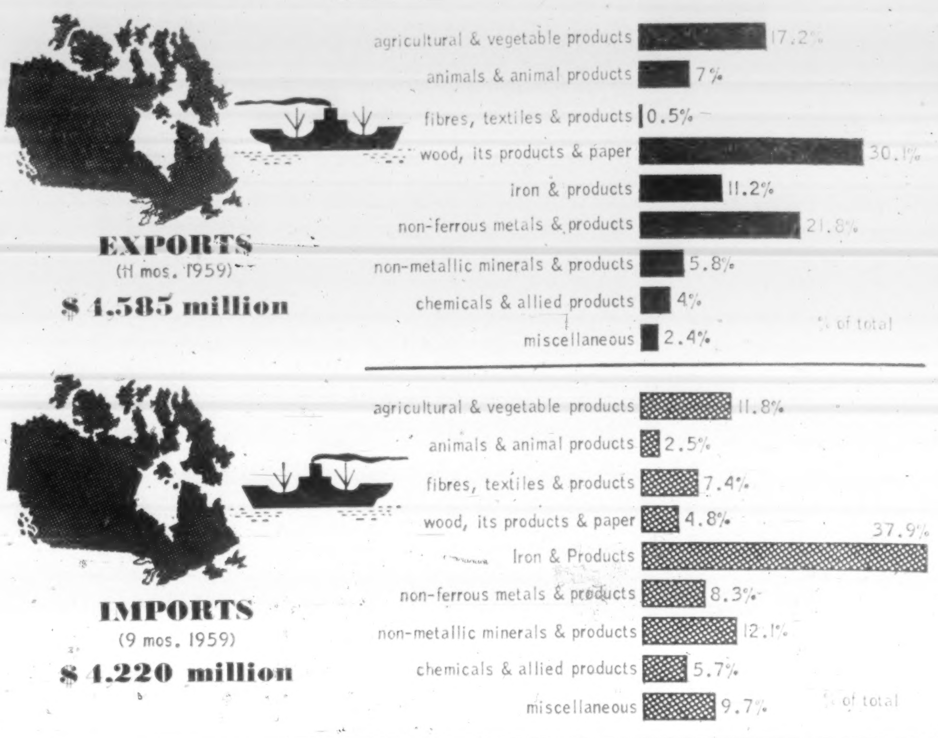
Canada's tariff arrangements generally are covered by trade agreement with a number of British Commonwealth nations, the General Agreement on Tariffs and Trade (GATT), plus agreements with several other countries.

- **There are often opportunities for acting as agent** for Canadian products abroad.

The trade commissioners are active in bringing Canadian firms in contact with prospective agents.

- **If possible, a visit to Canada** would give you a clear idea of what products would be suited to your needs.
- **Once you have established contacts in Canada,** try to have officials of Canadian firms visit your area to learn more of the market, its potential size, customs.

What Canada Buys and Sells



Extension to Toronto Subway

Construction started officially last November on the $200 million Bloor-Danforth-University Ave., leg of the Toronto subway system.

The existing subway runs from the Union Station at Toronto's waterfront north on Yonge St., to Eglinton Ave.

The new subway will run east from the west-central part of the city to the city's eastern limits.

A two-mile section will run from the Union Station west on Front St., and up University Ave., to Bloor. This section will take 2½ years to complete.

The second stage will get under way in January, 1963, and will be on Bloor St., and Danforth Ave., east from University to Greenwood Station.

A third stage, to start in 1967 and to be completed in 1969, will see the line extended westerly on Bloor to Keele St., and easterly on Danforth Ave., from Greenwood to Woodbine.

Assembling the load for this big project is expected to take four years to complete. Preliminary estimates of the right-of-way cost have been set at $15 million for some 850 properties affected.

So far, contracts for construction and material totaling $20 million have been awarded.

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Farming

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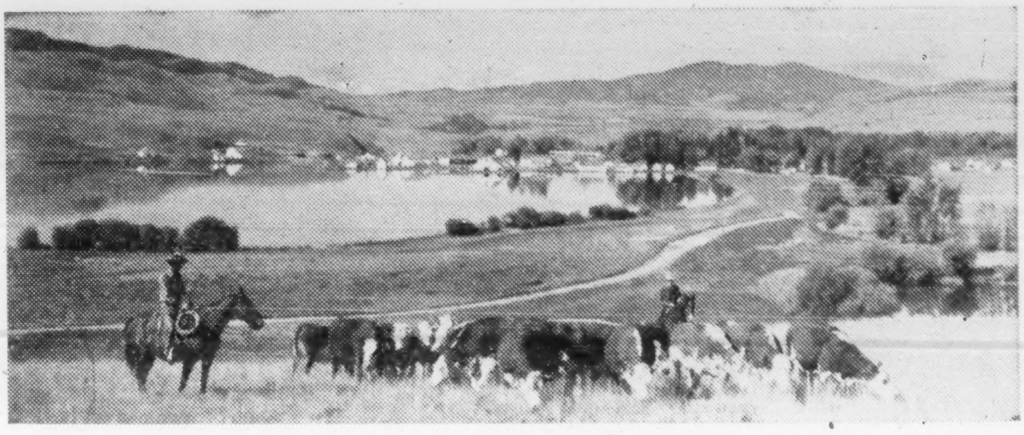
THERE IS a sharp trend away from the small family farm. The accent is on the large-scale use of mechanical equipment.

Cash income from sale of farm products is holding its own in Canada despite a poor crop year in 1959.

Bigger marketings of livestock helped bring 1959 income to about 2% higher than the previous year.

However, the outlook for this year is that cash income to farmers will be about the same or a little lower than 1959.

Cash income from sale of farm products in 1958 was $2,786.9 million, compared with $2,575.3 million in 1957 and $2,641.9 million in 1956.

Some recent trends and developments in Canadian farming:

- **Farmers sent a high volume of livestock to market in 1959.** Despite low hog prices, this volume offset lower revenue from other sources.
- **Index of farm production rose** in past year, gaining somewhat less than 5% on the previous year. It would have been higher except for heavy snowfalls which trapped some of western wheat crop in the fields.
- **Some crops in 1959 suffered sharp drops** from the previous year. Hail, frost and other weather conditions helped cut into the output of fruits, tobacco and potatoes.
- **The slightly higher income in 1959** may have been offset by higher operating costs on farms. That would mean net income of around the 1958 level.
- **There continues a steady decline** in the number of self-employed and unpaid family workers on Canada's farms.

But offsetting this is a rise in number of paid farm workers.

Although no severe shortages of farm labor are expected, there may be shortages of certain skilled workers.

Among the key areas of agriculture, fruit growing was hard hit last year.

Estimated production of apples at 14.5 million bu. was down 15% from 1958, peaches at 1.8 million bu. down 39%, pears at 1.1 million bu. down 25%.

Canada's big 1959 wheat crop was cut by early snows which caused a great deal of the prairie crop to be left in the fields.

Recent estimate of output was 413.5 million bu., compared with 371.7 million in 1958, but below the 10-year average of 490.4 million bu.

Production of oats was higher, barley ran around the yearly average.

For 1960, it is expected that lower prices and marketings for both hogs and beef cattle will affect the level of farm cash income. If farm operating costs continue to rise, farmers may face lower net incomes this year.

Exports play a big part in Canadian farm marketing.

Although sales of wheat abroad are holding at previous levels, exports of beef to U. S. have dropped off sharply from 1958.

While several nations reduced controls and quotas on various products, Canadian agriculture did not gain in this respect as did some other industries.

One of the broad points of discussion in Canadian agriculture concerns the trend to fewer and larger farms.

Another is centred on the many and varied government policies for supporting farm prices, often designed specifically to help the small farmer.

Statistics show a sharp trend away from the small, family farm which has dominated Canadian agriculture for generations.

With large-scale use of mechanical, labor-saving and time-saving equipment, the acreages operated by each farm owner have increased.

This trend is seen in both the east and the west, in both grain-growing and mixed farming, in one-crop farming, in dairying.

The last census showed:

- **Between 1951 and 1956,** there was an 8% drop in total number of farms in the country.
- **There was a gain of more than 8%** in the average size of farms.

Recently, average size of Canadian farms was placed at just over 300 acres.

This figure varies from 550 acres on the grain-growing prairies of the west to 135 acres in the six eastern provinces.

Twenty-five years ago, the western figure would have been only half the present size, the eastern average about 75% of the current figure.

Some observers welcome the trend since it means a rise in the cash income of the individual farmer.

Others argue the small family farm should be protected by government policy.

What Canadian Farmers Earn

FARM CASH INCOME ($'000)

1956	1957	1958	1959 (9 mos.)
2,641.9	2,575.3	2,786.9	2,048.4

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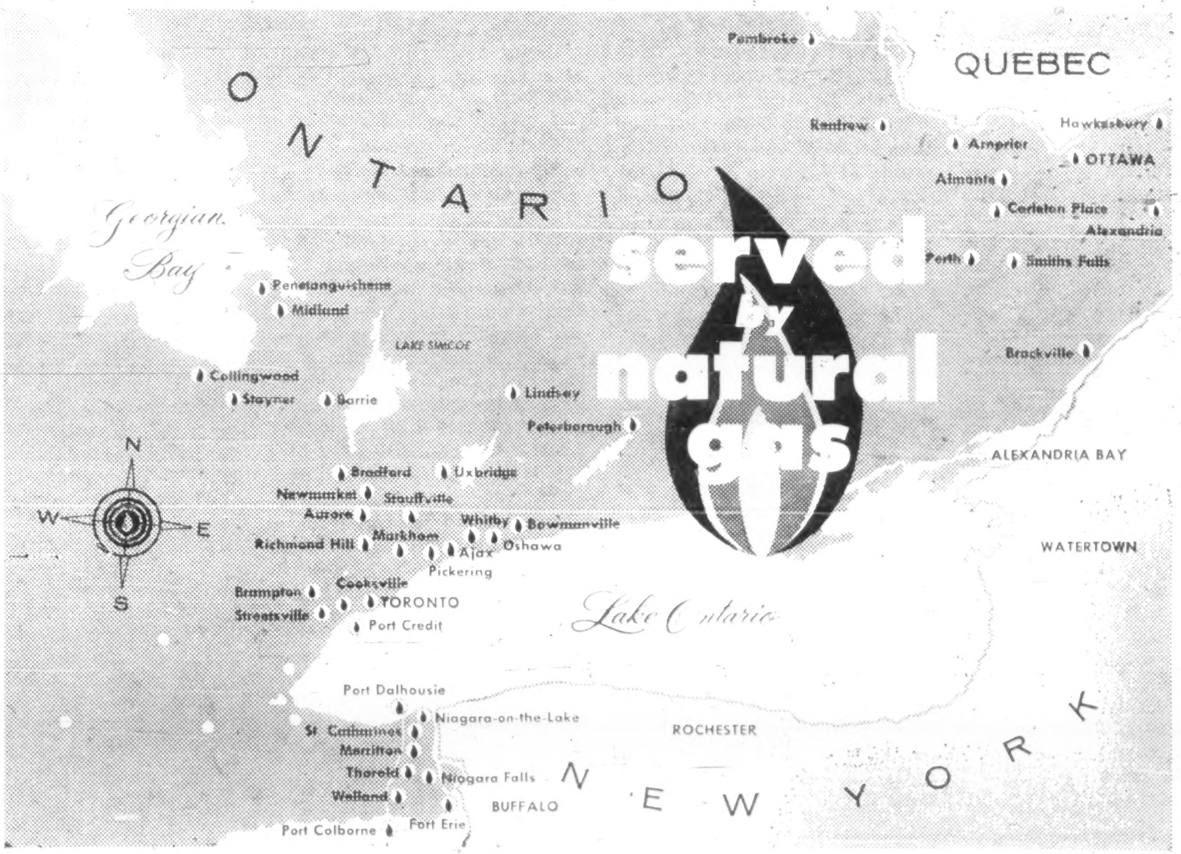
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Consumers' Gas

$3,000 Million Spent on Food

Canadian retail industry looks for more gains as a new decade begins.

Spending by Canadians has pushed the total dollar volume of retail sales to over $16,000 million.

- **Forecast is** that gain in 1960 will be about $700 million.

That would bring total to around $16,700 million.

- **But competition will likely increase,** particularly among food stores.

- **The growth of self-service** in large supermarket stores, the growth of "convenience" foods such as frozen products will continue in retailing.

- **Leisure time from their jobs will be a major factor in what Canadians buy.**

Products such as cameras and photo equipment, outdoor camping and boating products, home workshop items are among popular lines of merchandise now.

- **Shopping centres grow** as more houses are built in suburban areas of towns and cities.

These centres will offer greater convenience, more variety of merchandise.

- **In the downtown areas** of cities, stores are waging a war to attract the shopper in competition with the suburban shopping centres.

Retail sales have soared higher in Canada every year for some time. They are up about 170% from the end of World War II.

What kind of shoppers are Canadians?

Aside from the U.S., more spending power per capita is found here than anywhere else.

Retailers believe Canadians are selective buyers who look for value for their money.

And they are willing and able to buy good quality products of reputation.

One of the strongest sections of retailing is food.

Canadians spend over $3,000 million on food yearly. And each year they buy more in the large self-serve supermarkets.

Frozen foods and other products which can be prepared easily are winning larger shares of the market each year.

Frozen foods, for example, accounted for less than 1% of total food store sales 10 years ago.

Now they account for around 4%, and much higher than that in larger cities.

Employment has been higher through winter of 1959-60 than in previous year, more persons will be added to the working force this year, personal incomes are rising.

While costs are also rising, the retail industry is using new systems and equipment and cost control to keep expenses in line.

The immediate outlook for consumer products in Canada:

▸ **Food sales to hit another peak.** New products and more prepackaging of food items will feature this very competitive area of retailing.

▸ **Major appliances** should have a stable year, according to forecasts. Appliances made a comeback in 1959 after falling off slightly in 1958.

▸ **Portable radios** are selling well and will be joined in 1960 by a new rise in volume of television sets. The latter trend is due to replacement of sets sold when television was first introduced on a mass scale.

▸ **Furniture and furnishings** may be hampered by an expected drop in house building of 10% to 15%.

Many other special equipment and services will be in demand since institutional, industrial and engineering construction should be higher.

▸ **Imports may play a bigger part** in several fields, including television and other electronics products.

Department stores have been expanding in Canada in last few years. New branches have been opened in smaller cities across the country.

A new development is for department store chain companies to establish branch stores in the new, bigger shopping centres in the suburbs.

But, basically, these stores wage their battle for Canadian spending from downtown locations in large cities.

Many varied services — including delivery to the door, wide credit terms — are ways they use to hold customers.

Retailing in Canada depends heavily on strong promotion and advertising.

This is particularly true of food retailing right now.

Premium offers of various kinds, big advertising in local papers, have been joined recently by trading stamps — coupons saved by shoppers who obtain merchandise in exchange.

Trading stamps have strong supporters and opponents, and they are currently the subject of court cases to determine whether they are legal.

Retail Selling in Canada

RETAIL TRADE 1959 ($ million est.)

Grocery & combination	3,217
Other food & beverage	1,151
General	658
Department stores	1,435
Variety stores	333
Motor vehicle	2,654
Garages & filling station	986
Men's clothing	244
Family clothing	229
Women's clothing	275
Shoe	155
Hardware	324
Lumber & building material	512
Furniture appliance & radio	583
Restaurant	525
Fuel	336
Drug	394
Jewelry	138
Miscellaneous	1,941

RETAIL TRADE BY YEARS ($'000)

1946	1957	1958	1959 (est.)
5,787,377	14,800,000	15,252,000	16,090,000

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Smallwood Plans Increased Budget

Newfoundland will spend $630 million on education, health and roads in the next 10 years.

That's the prediction of Premier J. R. Smallwood who sees a decade of substantial progress.

Expenditures under these headings in the last 10 years: $263 million.

Here is the forecast breakdown:

- **Health,** $230 million. Included in this sum will be cost of construction of eight new hospitals.
- **Roads,** $200 million. The long-range plan is to rebuild 1,000 mi. of existing roads and pave an additional 600 mi.
- **Education,** $200 million. Many new schools will be required to accommodate the expanding population.

Now 470,000, it is expected to soar between 600,000 and 750,000 by 1970.

Other forecasts:

▸ **Some 35,000 new jobs.**

▸ **Public debt of $160 million.**

▸ **Rural electrification for 300 settlements** now without power. More than 40,000 homes will be supplied.

Iron ore developments at Wabush and Carol Lake are expected to pour $600 million into the Newfoundland economy in the next decade while the two paper companies, **Bowater's** and **Anglo-Newfoundland Development Co.** will invest between $30 million and $40 million, Smallwood said.

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TORONTO CANADA

Canada's Car Owners Up 114% in Last 10 Years

During the last 10 years the number of motor vehicles on Canadian roads has increased by 114%.

In the same period — 1949 to 1959 — Canada's population has gone up 29%.

No country in the world, except the U.S., has more cars and trucks, per capita, than has Canada.

Only the U.S., U.K., Germany, and France, in that order, put a greater number of new vehicles on their roads in a year than Canada — and all have considerably larger population totals.

These statistics explain, in part, the traffic congestion which is a problem of increasing concern, particularly in and around Canada's major cities.

Metropolitan Toronto, for instance, has 475,000 motor vehicles.

This is slightly more than one for every three people in its population of 1.49 million.

The population growth has been 47% in 10 years — but the increase in vehicle population has so outstripped this percentage that streets are choked at rush hours and millions are being spent on a new four-lane east-west expressway and on additions to the subway system to move people more quickly and allow them to leave their cars at home.

Other main expressway routes leading from the central part of the city to the perimeter are being considered.

Montreal is carrying out concentrated studies on its traffic problems, with a rapid transit subway very much in the thinking of city planners.

Winnipeg is considering an ambitious plan to build an expressway around its central business district.

An important and costly feature of Winnipeg's street and highway improvement program is 13 new bridges over its two rivers.

Ottawa, the capital city, has made progress with a long-term plan which includes vastly improved traffic arteries, but is faced with further major expenditures.

Meanwhile, to cope with congestion in their downtown areas, the cities are imposing more stringent parking restrictions, and are creating one-way streets.

Expenditure on highways has soared.

In 1959 it passed $1,000 million for the first time in Canada's history, having tripled in just five years.

There are now **more** than 40,000 mi. of highways paved by concrete, asphalt or other hard surfacing, and the figure is growing by about 5% per year.

RESERVATIONS

Inter-hotel reservation system for nine major hotels across Canada has been introduced by **Canadian National Hotels.** From your nearest CNR hotel, you can get immediate confirmation of reservation at any of the other eight. Hotels include **Newfoundland,** St. John's, Nfld.; **Nova Scotian,** Halifax; **Charlottetown; Queen Elizabeth,** Montreal; **Chateau Laurier,** Ottawa; **Fort Garry,** Winnipeg; **Macdonald,** Edmonton; **Bessborough,** Saskatoon; **Vancouver,** Vancouver.

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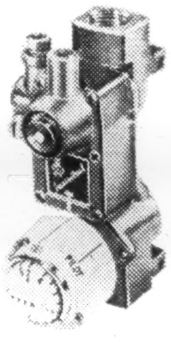

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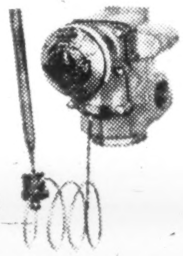
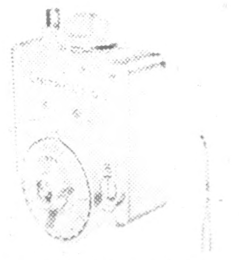


COMMERCIAL GAS CONTROLS

Heavy-duty automatic thermostatic controls for use in industry. A number of models to choose from—snap acting, throttling type, large capacity extra heavy-duty, high temperature, etc.

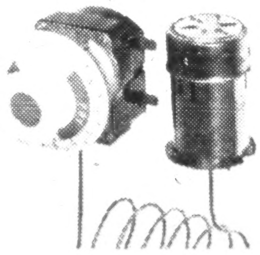
FAN and LIMIT FURNACE CONTROLS

Three models. Fan control — Limit control — and combination of both. For all voltages including millivolt. Also other types of warm air heating controls.



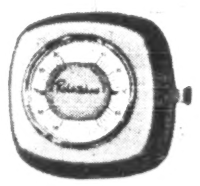
SPACE HEATER CONTROL

Unit of 1'10S is a new model for automatic temperature regulation of homes heated by gas fired floor furnaces, single and double wall heaters and console heaters. No electrical wiring needed.



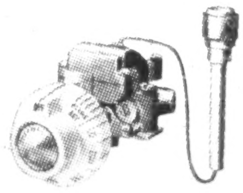
"THERMAL EYE" ELECTRIC

Similar to gas "THERMAL EYE" but built for use on electric top surface range elements. Automatically controls the temperature of foods cooking in pans on top of the range.



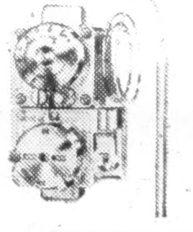
ROOM THERMOSTAT

Designed for use with automatic domestic heating units. It is a two wire, low voltage thermostat with adjustable heat anticipation — double dial and completely dust proof switch assembly.



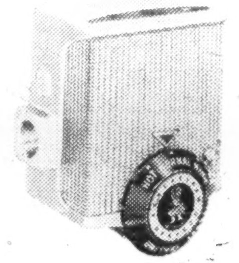
"THERMAL EYE" GAS

A new development by Robertshaw, controls temperature of foods in pans on top surface burners. Every utensil becomes a thermostatically controlled appliance.



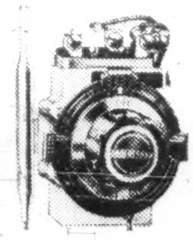
SPACE AND CENTRAL GAS HEATING CONTROL

A new control just released. Versatile — it can be adapted to suit many types of installation without special tools. Five controls in one.



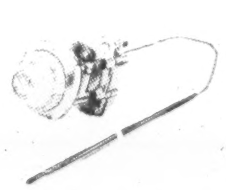
GAS WATER HEATER CONTROLS

Three new models to choose from. Many in use today. Dust proof — filter — air gap — aluminum alloy body resists gas corrosion — immersion parts of red brass and copper.



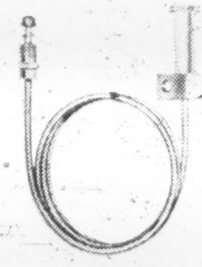
COMMERCIAL ELECTRIC CONTROLS

Ruggedly built electrical thermostats for use in industry. A great many models to choose from to suit most conditions.



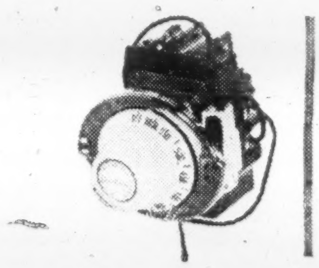
GAS OVEN CONTROLS

The world famous BJ series of gas oven controls now in use on over 20 million ranges. They feature "One dial" operation, combination gas cock and oven thermostat, 100% automatic shut-off valve. For use with all types of gases.



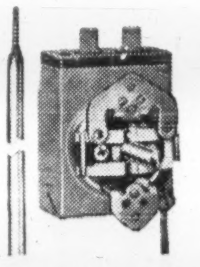
UNIVERSAL PILOT AND AUTOMATIC PILOT

New, more economical pilot — less parts — uses less gas — less failures due to linting. For use up to 400 BTU's. Automatic Pilots available in 4 directions of flow and 4 different applications.



ELECTRIC OVEN CONTROLS

For use on domestic electric range ovens, with single, double or triple elements, or high speed preheat. There is a model to suit any range. Standard equipment on most ranges in America today.



LOW COST ELECTRIC APPLIANCE CONTROLS

The EA series are precision controls with rapid response to close temperature differentials. Snap action, single pole, single line, double break. Supplied with bulbs suitable for operation in liquid or air. Small in size.

These are just a few — for answers to any of your control problems (no obligation) write to:

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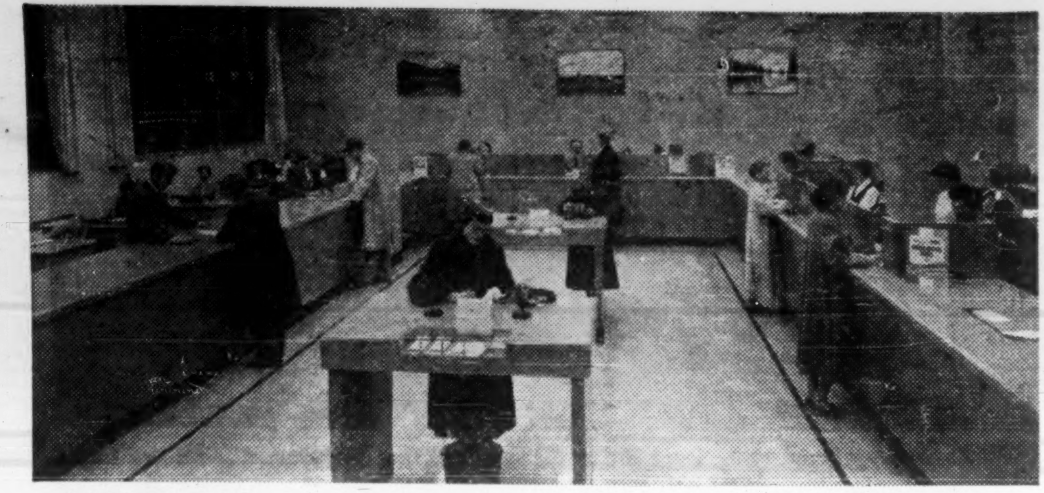


NINE BIG BANKS serve the public through 4879 branches such as the one above.

Business and Banking

During 1959, Canada's commercial banking system operated in a climate of contrasts:

- **Business recovery was broadening rapidly** — and, as a result, the demand for short-term and long-term credit accommodation mounted swiftly.
- **But to keep growth from being inflationary**, the government-owned central bank held the nation's money supply constant — and, as a result, most of 1959 was characterized by scarce credit and a rising level of interest rates.

And there is little likelihood, say most bankers, of an early easing in monetary restraints in 1960, or of a decline in interest rates.

Prospects are for continued business expansion and the expectation is that this will bring further pressure on available loan funds.

This so-called "tight money" situation is in sharp contrast to monetary conditions and policies in 1958.

During 1958, when the Canadian economy was still climbing out of a recession, bank loans were easily obtainable and generally-prevailing interest rates were very low.

The rate on 91-day treasury bills, for example, dropped as low as .87% in mid-1958.

But bank loans to business began to climb rapidly in the first months of 1959, due primarily to industry's switch from inventory liquidation to inventory accumulation.

Personal loans to individuals also advanced, in good part because the banks had all begun to encourage consumer borrowing of the instalment repayment type.

In total, business and personal loans climbed by 13% from $4,157 million to $4,706 million between the beginning of January and the end of May.

Despite such a large increase in lending, the central bank did not increase the money supply. Its aim was to avert inflationary spending.

To find the cash necessary to finance this sharpened pace of lending, the chartered banks sold government bonds, reducing their holdings by 9% from $2,565 million to $2,242 million.

The chartered banks raised interest rates twice during the spring of 1959.

The rate at which they lend to the best commercial risks advanced from 5¼% to 5½% in March and to 5¾% in April. (Maximum legal rate which they can charge is 6%.)

The price of short-term money, as measured by the yield on 91-day treasury bills advanced from 3.25% in January to 5.08% at the end of May.

Yield on a typical long-term government bond rose from 4.71% to 4.93% during the same period.

Short-term yields advanced from 4.72% to 5.21%.

Late in May the banks announced to the public that they would have to "exercise the utmost care in handling credit facilities to avoid any significant increase in the over-all total of bank loans." However, the banks did not enforce their policy until the middle of August.

In the three-month interim loans advanced by a further $300 million or 8% to total $5,100 million.

The banks' bond portfolios declined from $2,242 million in mid-May to $1,937 million by mid-August.

Generally-prevailing interest rates rose rapidly with the treasury bill yield setting the paee by going from mid-May's 5.08% to a peak of 6.16% in the second week of August.

Yield on a typical long-term bond reached 5.26%; yield on a typical short-term came up to 5.88%.

With loans outstanding up by $1,000 million or 2.3% in the first eight months of the year — and carried without any increase in money supply — the banks found that they had to introduce stringent lending policies.

During the last weeks of August, the banks began turning down applications for new loans and for extensions to lines of credit while whittling down existing loans wherever feasible.

At the same time, the government reduced its offering of treasury bills and by refusing bids which involved what it considered to be excessively high yields and effectively brought down the treasury bill yield. It fell from 6.16% on Aug. 13 to 5.33% by Aug. 27.

With so-called 'tight money" conditions the order of the day, generally-prevailing interest rates continued to rise moderately over the fall months of 1959.

Total loans outstanding on the books of the banks declined from mid-August's $5,100 million to $4,750 million at year-end.

This decline took place despite a high demand for credit accommodation in some sections, although seasonally lighter credit requirements in other areas made the reduction easier.

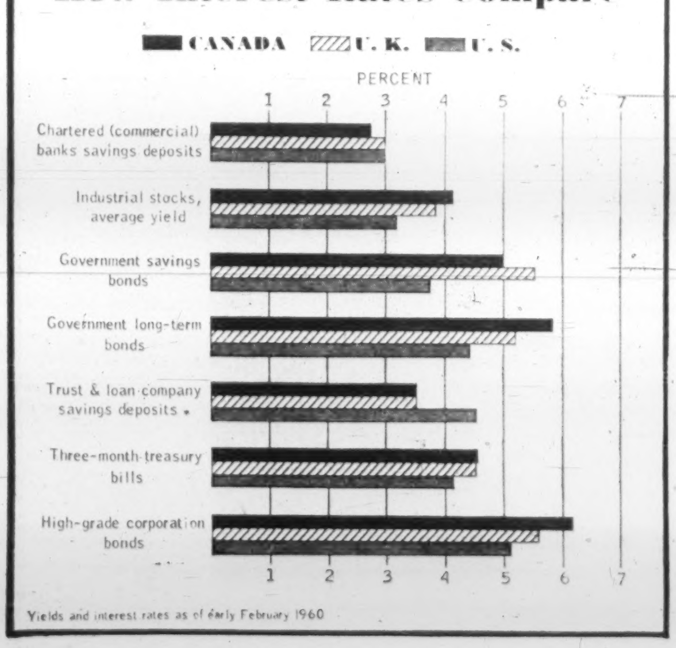
By early Feb. 1960, generally-prevailing interest rates were riding at, or close to, record levels.

Canadians Use Their Banks

CHEQUES CASHED
(Value in $'000)

1946	1956	1957	1958
69,247,607	198,376,666	212,235,194	228,173,162

How Interest Rates Compare



Yields and interest rates as of early February 1960

Are you asking yourself these questions about Canada?

Q: How do real estate values compare with here?

Q: Should I build, buy or lease?

Q: What would be my best choice for a manufacturing site? Office building? Retail outlet?

Q: What financing assistance is available?

Q: Should I buy land now for future use?

Q: Are qualified property management services available?

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Education

Under Pressure

The fast rise of population, higher birth rates, greater stress on need for education — all have placed a strain on the Canadian educational systems.

This has been the story of the postwar years.

The outlook is that the demand for schools and teachers will continue to be pressing in the 1960s.

This pressure on educational facilities will likely apply to the three main groupings in the Canadian system: Elementary schools, high schools and universities.

Some of the trends:

- **Rising birth rate** is pushing up the proportion of the population in school.

For example, elementary school children in Ontario were 16% of the total population in 1950.

Today, they represent about 22% of this total.

- **The postwar wave** of young people entering the various levels of educational system brought with it shortages of fully trained teachers.

This is still a problem, particularly in high schools and universities.

But as demand rose, the pay rates of teachers went up too. This trend has taken teacher pay levels in many cases to near the rates paid by business and industry for people with the same degree of education and training.

- **As Canada's economy** has grown, sometimes with very sharp rises in the industrial sector, there has been strong demands on the supply of science and engineering graduates.

In universities, this has led to a shift in emphasis toward scientific training, although the arts and humanities still retain a prominent place in Canadian education.

- **Financing of education** — because of much bigger demands on it — is a continuing problem.

Elementary and high schools are financed by public funds, but universities receive money from both governments and private sources.

Donations of Canadian companies and charitable funds, for example, amounted to over $10 million in a recent year to universities.

- **Record high building** programs have been undertaken by schools and universities.

Spending on buildings by universities this year may be around $83 million.

That compares with only $25 million in 1956.

- **University enrolments** have been going far beyond previous forecasts.

In 1955, it was expected there would be 84,200 students in all universities of Canada by 1959-60.

The actual number is about 100,900 for this academic year.

And it is now expected that total will reach 139,000 four years from now.

- **Training of technicians** and of skilled workers is also a part of Canadian education.

The demand in this field is to meet the growing and changing needs of modern technology in industry.

In the future, there will be a growing need to re-train workers to fit new jobs created by new methods and new machines.

Never before has the public in Canada been more interested in education: How to improve it, how to finance it.

Number of children going to elementary and high schools is increasing rapidly.

Employers today expect to hire staff of a higher level of education than they did a few years ago.

Despite the increase in students and the public interest, many observers feel there is room for more improvement in keeping able students in school.

An average of one out of three high school graduates do not continue to university, a recent study discloses.

And surveys seem to suggest that many able students leave high school shortly after reaching the end of the compulsory period—in most provinces, that age is 16.

It is estimated that only one of every three high school students remains to graduate.

Public education in Canada — in elementary and high schools — is controlled on a local basis.

Education is a provincial matter, and each province relegates local education to each municipality. Each of these has an elected board which directs school affairs.

In practice, the federal government does assist in financing of universities in those provinces which agree to such a process.

But because education is administered by each province, the quality of schooling and the laws regarding attendance are slightly different from province to province.

The costs of attending university in Canada generally fall to the student and his family.

But there are over $10 million annually provided to needy and worthy students in the form of scholarships, bursaries, loans and prizes.

Recently, over 27,000 graduates and under-graduates were receiving aid in one of these forms.

A great deal of these funds are provided by business. Amounts are also given by interested organizations and governments.

Much of the funds for university research also comes from these sources.

HELICOPTER TRAINING

A helicopter pilot-training device that provides the means to duplicate the movements of a true 'copter has been developed by an Edmonton firm.

The helicopter simulator, known as the "Jaycopter," is the product of **Jaycopters Ltd.**

It incorporates controls and aero-dynamic features similar to a helicopter, but is limited in its range by being fastened to the end of a 78-ft. steel boom on a 25-ft.-high tower.

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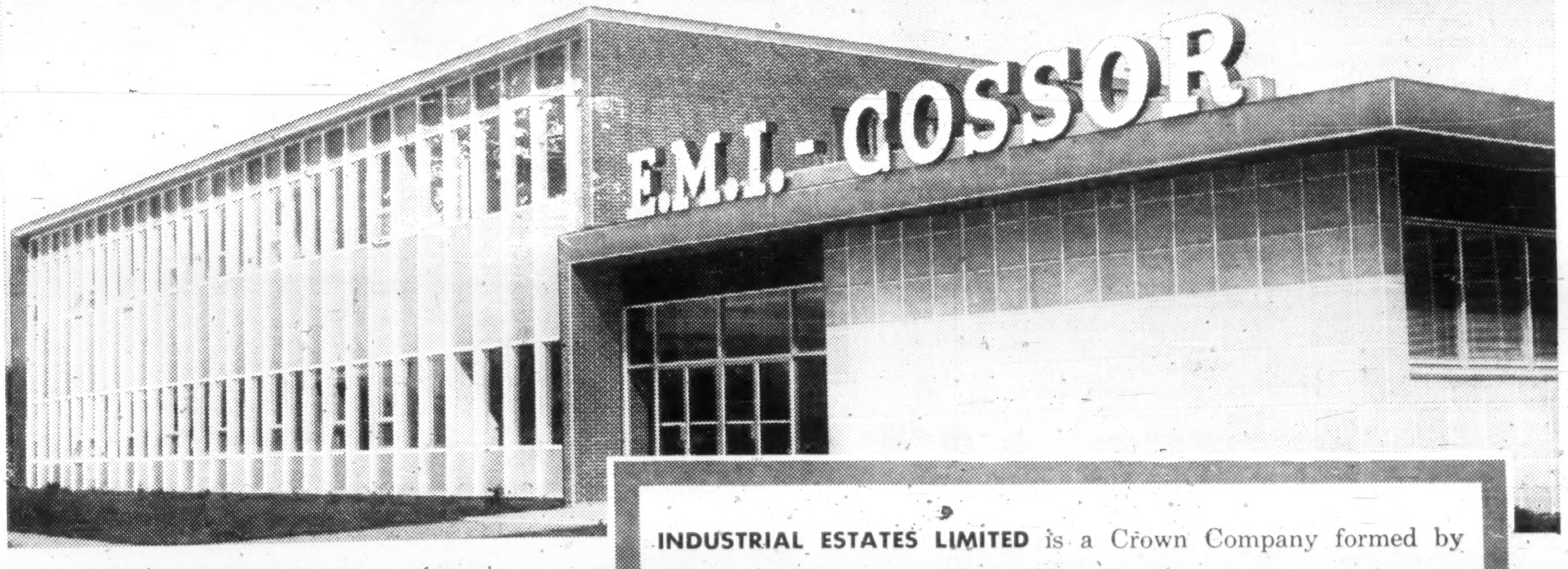

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CANADA

Pulp and Paper Leads the World

Canada leads the world in international trading of pulp and paper products.

Because of the nation's huge capacity, large forests and well-developed skills in this field, its leadership appears likely to continue indefinitely.

The two leading products of the industry, so far as international trade is concerned, are newsprint and wood pulp.

Last year Canada produced about 6.4 million tons of newsprint.

The second largest producer is the U. S., with about two million tons last year. Free world production probably totaled close to 13.5 million tons.

Canada in 1959 exported around 5.9 million tons to scores of nations. Finland and Sweden, the other larger exporters, shipped some 600,000 and 370,000 tons respectively.

Canadian Newsprint and Pulp

	1946	1957	1958
Wood pulp:			
Production ('000 tons)	6,615	10,401	10,306
Exports ('000 tons)	1,418	2,283	2,219
($ millions)	114	292	285
Newsprint:			
Production ('000 tons)	4,506	6,396	6,096
Annual capacity ('000 tons) ..	....	6,756	7,238
Exports ('000 tons)	4,148	5,907	5,580
($ millions)	265	716	690

Canada is well situated to meet newsprint demand.

The location of much of its forested land enables mills to be built near tidewater or on the Great Lakes, allowing cheap water transport to overseas markets.

Most important, mills can be located near the huge, rapidly growing U. S. market.

In recent years annual exports to the U. S. have averaged five million tons, with roughly another 470,000 being used in Canada and 800,000 going overseas.

In wood pulp—the raw material for newsprint, other papers and paperboard — Canadian production last year reached 10.5 million tons, with exports being well over two million tons.

This makes Canada the second largest producer, behind the U. S. It vies with Sweden for export leadership, although the latter usually leads.

In all, the Canadian pulp and paper industry usually exports products worth more than $1,000 million, making it the nation's most important single export industry.

Of the total, some 70% is usually newsprint and almost all the rest wood pulp.

Forest resources are by no means fully utilized.

There is room for considerable expansion even in easily accessible areas such as the Atlantic Provinces, southern Ontario, southern Quebec and parts of British Columbia.

Major new mill projects are under way in Nova Scotia, New Brunswick and British Columbia, all these being pulp producers.

With considerable excess newsprint capacity in existence, expansion in that product is pretty well confined to raising productive efficiency of mills.

However, a new newsprint mill is proposed for New Brunswick.

Paperboard and fine paper producers have been expanding ambitiously. Most of their production is for the domestic market.

Aside from these known projects, there are other long-range plans for additional capacity.

But decisions on these will await further growth in markets.

Newfoundland appears to have room for one additional large pulp and paper operation, Quebec, Ontario and British Columbia for considerably more.

Each of the three Prairie Provinces — Manitoba, Saskatchewan, Alberta—hopes for a large new mill in the future.

The industry is largely Canadian-owned.

U. S. companies control a substantial portion, including one of the four largest companies, the other three being owned mostly by Canadians.

British interests control three big firms, while Swedish and Belgian capital is involved in two recent projects.

Financially the industry is healthy, with comparatively little debt. Some companies have no funded debt at all.

Profits generally are well below their peaks of a few years ago but good by most standards.

If a new wave of newsprint expansion sweeps the country in a few years — and this is possible — producers of that commodity probably will feel a price increase is justified by the high capital cost of new capacity.

Here is a rundown of how main products did in 1959, a year when total tonnage produced was up about 6% and roughly equal to record 1956.

- **Newsprint** tonnage rose some 4% from 6.1 million tons in 1958, was slightly below record 1956.
- **Pulp** jumped 5% from 1958 and may have surpassed the record of 1956.
- **Paperboard** rose by possibly 2½% to about 930,000 tons, topping the record of 1958.
- **Fine paper** was some 8% higher, at about 275,000 tons. Previous record was set in 1958.
- **Wrapping paper** exceeded 300,000 tons, being 9% higher than record 1958.

This story of giant size and further expansion correctly reflects a general optimism in the industry.

However, there are some worries.

Competition is keen. The Scandinavian nations are highly efficient producers and able salesmen. In some markets their prices undercut the Canadian.

The U. S. domestic newsprint industry, in the Western states and—more important—in the South, has grown quickly. It is based upon Southern Pine and is capable of further expansion.

Behind the Iron Curtain, both Russia and Red China are working hard on vast expansion plans which could make them important exporters.

And in many markets, especially in Latin America and Asia, considerable progress has been made in producing paper from raw materials other than wood. These include sugar cane waste, straw, bamboo.

Most countries to which Canada ships newsprint naturally would like to produce more of their own requirements.

After considering these problems, Canadians remain optimistic about world demand for their newsprint and pulp.

Their confidence is based primarily upon a rapid and steady increase in world demand for the many products of the pulp and paper industry.

The potential need is especially great in underdeveloped countries where use of newsprint, paperboard packages, wrapping paper, etc., is still limited.

In spite of use of non-wood raw materials, wood is expected to remain dominant.

Its supply is extremely limited except in Canada and Russia.

Even U. S. supplies, viewed against enormous future demand in that country, are not over-large.

Finally, Canadians point to an important trend:

Nations with a limited supply of wood find it more economical to devote it to production other than newsprint.

This allows a newsprint specialist like Canada to supply that need.

In recent years, there have been many mergers and acquisitions. These have been aimed at diversification of production or integration, or both.

Most large companies are pursuing these goals.

Two — **Powell River** and **MacMillan & Bloedel** — have merged. Companies such as **Canadian International Paper, Price Bros., St. Lawrence Corp., Bathurst Power & Paper, Consolidated Paper** have purchased other companies or their assets. Rumors of additional negotiations are constant.

Some have acquired pulp and paper interests abroad, or are thinking of doing so.

Traditionally the Canadian industry hasn't invested in production abroad (although Canadian engineering companies are prominent in many nations in construction of new mills).

However, **Abitibi Power & Paper** now has a hardboard and insulation board mill in the U. S.

Powell River is reported considering a newsprint mill in the U. S. Of course, **Canadian International** and **Bowater's Newfoundland** are part of large international organizations, the first U. S. and the second U. K.

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The Size and Assets Of Canadian Banks

Commercial banking in Canada is carried on by nine private banks, which operate under federally granted charters.

Five of the Canadian banks rank among the top 20 in North America in size of deposits.

The nine currently carry on business through some 4,879 branches in Canada (379 more than at the end of 1958).

This system provides remote areas with banking services, spreads risks widely and allows investment funds to be concentrated.

By the close of 1959, Canada's banks maintained 173 branches in other countries (18 more than a year earlier).

At the same time, most Canadian banks also serve clients abroad through correspondent banks and agents in almost every country of the world.

The assets of the Canadian banks at the end of 1959 totaled $15,834 million.

Royal Bank of Canada: $4,044 million; Montreal.

Bank of Montreal: $3,271 million; Montreal.

Canadian Bank of Commerce: $2,913 million; Toronto.

Bank of Nova Scotia: $1,817 million; Toronto.

Toronto - Dominion Bank: $1,691 million; Toronto.

Imperial Bank of Canada: $978 million; Toronto.

National Canadian Bank: $729 million; Montreal.

Provincial Bank of Canada: $340 million; Montreal.

Mercantile Bank of Canada: $51 million; Montreal.

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Full information on Langis Silver can be obtained from the Principals: Brewis & White Limited,
145 Yonge Street, Toronto, Ontario

Could Be Biggest Ever Year for Foreign Trade

(CONTINUED FROM P. 17)

Japan among its most important areas, have also recovered a larger share of Canada's avid market for imports. After lagging around 15% for several years, they supplied last year (11 months figures, still) a 17%.

On these comparisons, it looks as though Canada succeeded in 1959 (more by other countries' efforts than its own) in diversifying the sources of its imports. But the markets for its exports became more concentrated.

In this respect the 1959 figures may be misleading.

It is important to remember a number of factors which were operating in 1959, and may have been peculiar to that year.

One of the most important is the U. S. steel strike. The effect of the strike, both while it was on and even when it was still in prospect, was to direct Canadian buyers of steel to overseas sources. It also brought Canadian steel mills an unusual procession of U. S. customers.

Another is the general effect of conditions in the United States. Both new business investment and new construction (particularly housing) were running at a relatively low level. This for a while made a relatively difficult market for Canadian lumber producers, and it reduced the demand for non-ferrous metals.

But offsetting this was the demand for steel products, the heavy demand for beef and cattle which continued through the first part of 1959 but slackened off later, and the peak deliveries of Canadian uranium.

Under the contracts with the U. S. Atomic Energy Commission, which expire in 1962 or 1963, Canadian deliveries were just reaching their peak level. It might have been maintained at this level for several more years if the U. S. had wanted more imported uranium.

But once the Atomic Energy Commission had decided that it would not need to take up its options on Canadian uranium after 1962, it allowed Canadian mines to "stretch out" their deliveries under the present contracts until 1966. The lower-cost producers are allowed to take responsibility for the contracts held by mines with higher costs. The result will be to bring a considerable reduction in Canadian deliveries to the U. S. over the next year or two.

Canada's Economy

(Seasonally adjusted)

	Dec. 1958	Dec. 1959
Industrial common stock prices (1935-'39=100)	227	272
Housing contracts ($ million)	134.7	76.1
Business, industrial and engineering contracts ($ million)	221.3	144.4
Average weekly hours, manufacturing	40.3	40.8
Corporate profits, 3rd quarter ($ millions)	421	468 (est.)
Wholesale prices, industrial materials (1935-'39=100)	233	241 (est.)

Source: G.R.A.

Finally, it is well to remember that the pattern of Canadian imports depends a good deal upon the economic cycle, and the particular phase in which Canada finds itself. Imports from the U. S. reached their highest level, and faced Canada with its record trade deficits, during the period of very rapid resources development in 1955-56-57.

This was partly because many of the Canadian natural resources were being developed by U. S. companies. They were mining for iron and non-ferrous metals, and especially exploring for petroleum and natural gas. They invested their capital in these developments, and imported machinery and equipment for them.

Last year considerably less of Canada's capital development was taking the form of direct resource development by U. S. firms, and the import list included less in the way of U. S. capital goods. Considerably more of it was directed to the Canadian consumer. In such circumstances, the U. K., Western Europe and other overseas countries all found themselves favorably placed to compete in price with U. S. products.

An important part of Canada's increased imports from overseas consisted of motor cars. British and European makers took an unprecedented 26% of the new car sales last year. In the first nine months of the year car imports came to 46% more than in 1958, and overseas manufacturers kept on sending them in in the last quarter to be sure of having adequate stocks on hand.

About this time they began to meet the competition of the new U. S. models called "compact" cars; and the competition would have been tougher but for the U. S. steel strike.

It is now generally accepted that the Canadian public has demonstrated a taste for a smaller car than the standard makes which **General Motors, Ford** and **Chrysler** corporations were relying on until last autumn. It still has to be shown during 1960 whether the U. S. companies' smaller models will be able to win such customers back from the British and European types.

The relative increase in the importance of the U. S. market for Canadian exports during 1959 is not generally welcomed here, though of course it is always welcome to have the U. S. buying more Canadian goods.

But Canadians have a keen and forward-looking desire to win an increasing share of the import markets of western Europe and other countries. The Canadian government has been closely concerned with all the European developments associated with the launching of the European Economic Community (or Common Market).

It has not taken much of a direct hand in discussions about the relations between the Six Nations of the E.E.C. and the Seven Nations of the European Free Trade Association; but the Ministers of Trade and Commerce and of Finance both attended the crucial meetings in Paris at the end of 1959.

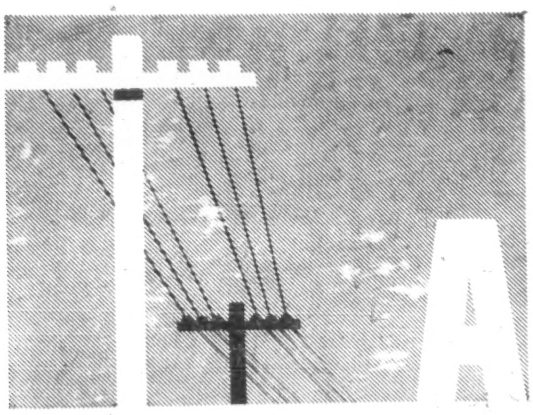
Agreement was reached at these meetings about a new study of the proper organization to bring all of Western Europe and Canada and the U. S. into a new mutual relationship; and also to forward "as a matter of priority" closer relations between the Six and the Seven. (It was, in fact, Mr. Fleming, Canadian Finance Minister, who proposed the compromise formula "as a matter of priority".)

While the Canadian government understands the importance of these efforts, its attention is fixed even more firmly upon the new tariff negotiations which are to be started this autumn among all the members of the General Agreement on Tariffs and Trade (GATT). It hopes for quota relaxations and tariff reductions to be relaxed as far as possible for all GATT members, not just for new regional blocs in Europe.

Early results of last year's relaxation of U. K. quota restrictions have shown striking increases in a good many of Canada's manufactured exports.

Western Europe has not yet shown the same results. But it is firmly hoped that Canadian sales to the six countries of the Common Market may increase in 1960.

The integration of Western Europe is recognized, both by the government and by the public of Canada, to be wholly desirable in the interest of the whole Western world. But it will be far more valuable, in Canada's view, if it can be attained with the very minimum of restrictive arrangements, excluding other countries.



GOOD NEWS FOR

ALBERTA

CANADA

GOVERNMENT OFFICIAL OUTLINES ALBERTA INDUSTRIAL EXPANSION

Hon. A. R. Patrick, Minister of Industry and Development said that, "Highlighting Alberta's economic activity during the first six months of the current year were announcements of several major multi-million-dollar industrial projects. These suggest the 1959 industrial construction year may equal the performance of 1957."

PAGE HERSEY BUILDS CAMROSE MILL

A $10 MILLION steel pipe mill is under construction in Camrose by Page Hersey Tubes Ltd. and The Steel Co. of Canada Ltd. The plant will be spread over nearly 80 acres, with the first building, covering an area of five acres, scheduled to start immediately. Peak employment is estimated at 300 men. Plant will produce pipe in diameters ranging up to 42 inches.

GOODYEAR RUBBER PLANT LOCATES IN MEDICINE HAT

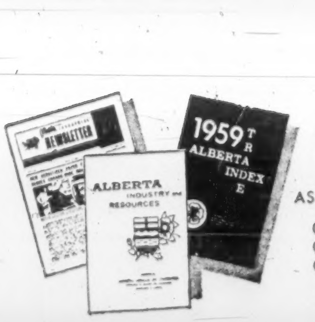
GOODYEAR TIRE and Rubber Co. of Canada Ltd. is building a $4,500,000 tire plant in Medicine Hat. Construction is scheduled to start immediately. Car, truck and farm tires will be produced for the Western Canada market. It is estimated that over 200 persons will be employed in this plant and production has been set for Sept., 1960.

FIRESTONE PLANT TO LOCATE IN CALGARY

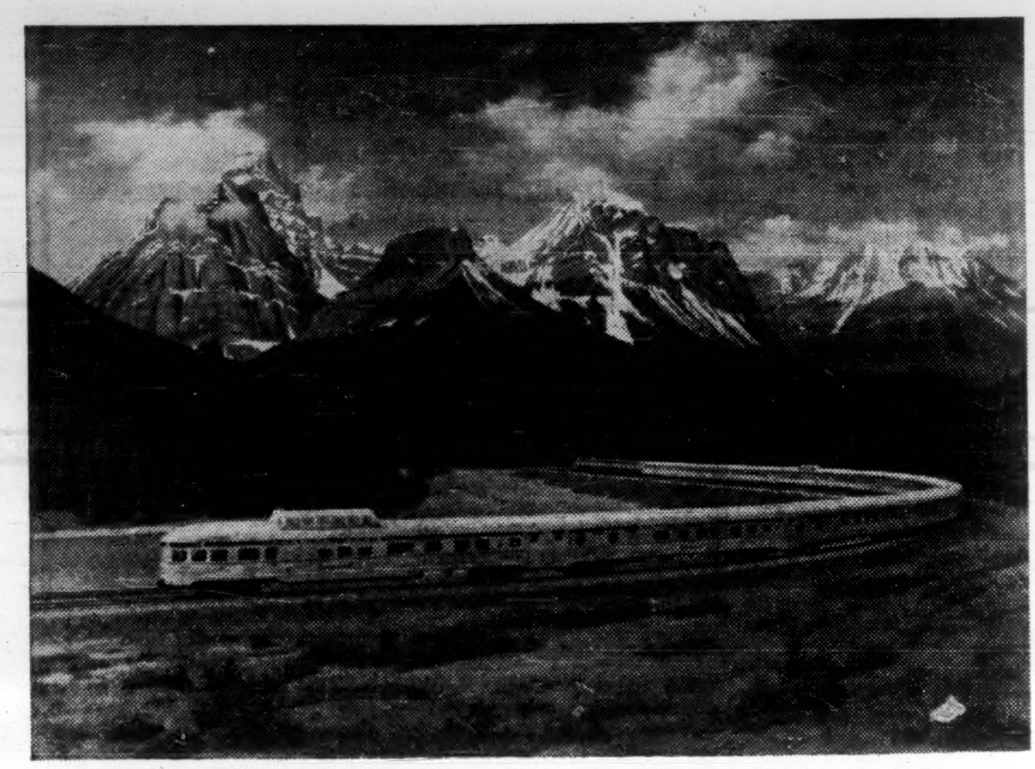
Firestone Tire & Rubber Co. of Canada Ltd., has started construction on a $7½ million plant in Calgary, Alberta. It is expected that 300 people will be employed when the plant opens in 1960.

For confidential enquiries and information write:
Mr. Richard Martland, Director,
Industrial Development,
Dept. of Industry and Development,
Edmonton.

PROVINCE OF ALBERTA



ASK FOR FREE BOOKLETS
(A) 1959 TRADE INDEX
(B) ALBERTA INDUSTRY AND RESOURCES
(C) ALBERTA INDUSTRIAL NEWSLETTER



CANADA STRETCHES 5,780 miles across — from Newfoundland to the Yukon.

Canada Strategically Placed Between Great World Powers

Canada is the second largest country in the world—next to Russia—with 3,851,809 sq. mi.

It is nearly 500,000 sq. mi. bigger than the continental U. S. (including the 49th State of Alaska), 18 times the size of France and 40 times that of the U. K.

Canada is 5,780 mi. across—from Newfoundland to the Yukon.

It stretches another 3,000 mi. from Lake Erie to the North Pole.

Canada is essentially a western and northern country — a fact of increasingly strategical importance — comprising 10 provinces and two territories:

Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, Yukon Territory, Northwest Territories.

The four corners of Canada are important:

- **In the North**, Canada penetrates deep into the Arctic basin, guards the northern approaches to the continent of Europe and Asia and is a neighbor to the Soviet Union.
- **In the South**, the peninsula of Ontario thrusts deep into the U. S.
- **In the East**, Labrador and Newfoundland command the shortest crossings of the North Atlantic.
- **In the West**, the broad arc of land between Vancouver in southern British Columbia, and Whitehorse in Yukon Territory, provides the shortest crossing of the North Pacific between North America and the Far East.

Canada thus stands at the crossroads of contacts with the big powers and some of the most populated areas of the world.

Geography has also shaped the country's economic character.

The most conspicuous feature is the Canadian Shield, a vast and ancient rocky mass, covering most of the central provinces of Quebec, Ontario and Manitoba and northern Saskatchewan and northward extending into the Arctic.

The Shield is the source of great mineral and forest wealth and water power.

About 60% of Canada's 17,650,000 population (Jan. 1 estimate) live in the valley of the St. Lawrence River and in the fertile peninsula of south Ontario bordered by the Great Lakes.

Here lie the great cities of Ottawa (the capital), Montreal and Toronto.

The Maritime provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland yield coal, iron, asbestos, lead, zinc, forest products and fish.

West of the Shield are the prairies of Saskatchewan and Alberta where huge wheat farms and cattle range conceal beneath them Canada's greatest sources of fuel in coal, oil and natural gas.

The western edge of Canada, mainly British Columbia, is shaped by the Rocky Mountain ranges—another source of rich minerals and water power.

In eastern Canada, the Great Lakes and the St. Lawrence River and Seaway form an unequalled navigable inland waterway through an extensive region rich in natural and industrial resources.

From the Lakehead, at the head of Lake Superior, to Belle Isle at the entrance to the Gulf of St. Lawrence, the distance is 2,280 miles.

The greater part of Canada drains into Hudson Bay and the Arctic Ocean.

The Nelson River drainage is exceptional in running through the most arable and the most settled part of Western Canada, but otherwise the rivers of the west, east of the Rockies, run away from the settled areas toward the cold northern salt waters.

The Mackenzie River, which drains the Great Slave Lake, is, with its headwaters, the longest river in Canada—2,635 miles.

The outstanding lakes of Canada are the Great Lakes, though only parts of these are in Canadian territory.

An international boundary between Canada and the U. S. runs through Lakes Superior, Huron, St. Clair, Erie and Ontario.

There are no tides in the Great Lakes although considerable variation in water levels is occasioned by strong winds.

Other large lakes in Canada, ranging from 9,000 sq. mi. to 12,000 sq. mi. are Lake Winnipeg, Great Slave Lake and Great Bear Lake.

Apart from these, notable for size, are tens of thousands of lakes scattered over the major portion of Canada lying within the Canadian Shield.

In an area of 6,094 sq. mi. accurately mapped, south and east of Winnipeg, are 3,000 lakes.

In an area of 5,294 sq. mi., also accurately mapped, southwest of Reindeer Lake in Saskatchewan, there are 7,500 lakes.

The coastline of Canada, one of the longest of any country in the world, totals 17,860 mi.

The predominant geographical feature in Canada is the Great Cordilleran Mountain system which contains many peaks over 10,000 ft. in height.

The highest peak in Canada is Mount Logan in the St. Elias Mountains of Yukon Territory, which rise 19,850 ft. above sea level.

These Men Help You

The Canadian Trade Commissioner Service maintains 59 offices in 45 countries.

All are staffed with trained Canadian trade officials and commodity specialists.

The work of the trade commissioners in the field is coordinated in Ottawa by five area trade officers.

These officers are familiar with every aspect of foreign trade in their geographical or political areas.

The prime function of the service is to promote the sale of Canadian products in foreign countries.

- **If you want to sell**, they will put you in touch with Canadian importers and manufacturers who may use your products.
- **If you want to buy**, they are equipped to tell you about possible Canadian supplies of products you want and to put Canadian exporters in touch with you.

Trade commissioners bring together Canadian importers and exporters and their opposite numbers in other countries.

They study potential markets for specific Canadian products and report on kinds of goods in demand, prices, competitive conditions, trade and exchange regulations, tariffs, shipping and packaging requirements.

In countries where Canada maintains a diplomatic mission and a trade office, trade commissioners form an integral part of the mission and assume the title of Commercial Counsellor or Commercial Secretary.

In some foreign countries, they act as Consuls-General, Consuls and Vice-consuls, according to their status in the service.

Entrance to the Trade Commissioner Service is by rigid competitive examination.

Trade commissioner entrants get a year's training at Ottawa and then are sent abroad to work under the guidance of an experienced trade commissioner.

Their postings are changed at intervals of from two to 3½ years.

The Canadian government now is working out plans to rotate trade commissioners not only within the service itself, but also within the trade policy branch of the Trade Department at Ottawa.

The idea is to give the commissioners experience in formulating trade policy, as well as in promoting the flow of exports and imports.

If you get in touch with a Canadian trade commissioner, you will find him a seasoned business promotion officer, usually with experience in several parts of the world.

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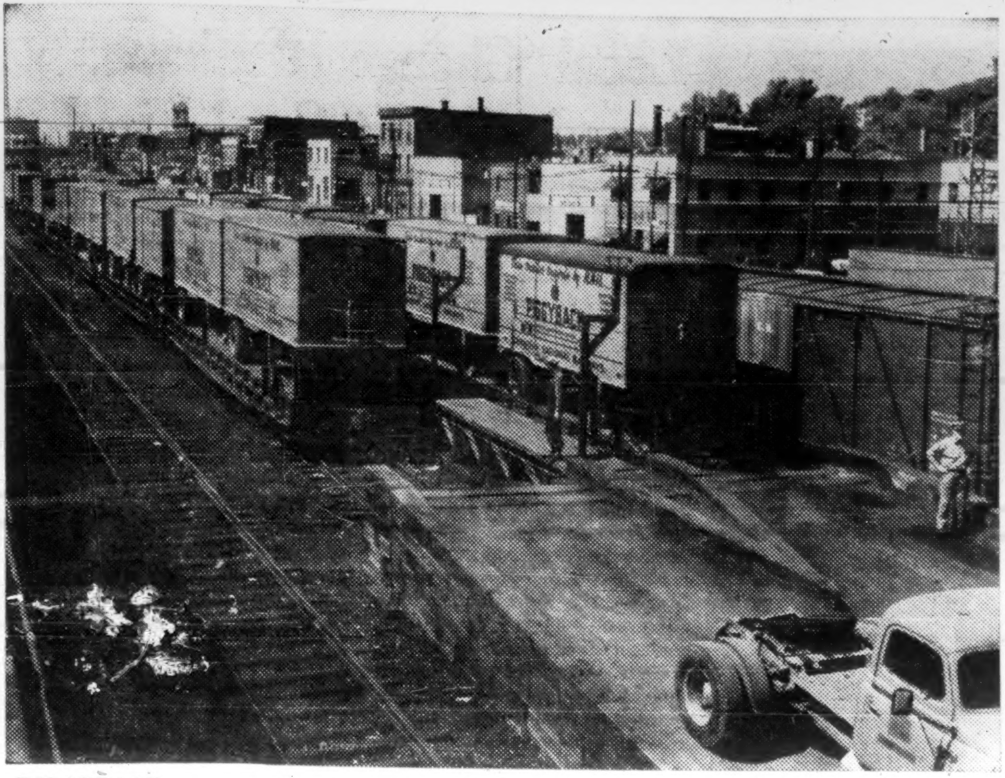

PIGGYBACK—a method of carrying trucks on railway flatcars, has rapidly grown from coast to coast.

Piggyback Use Grows Steadily

Piggyback — carrying truck trailers on railway flat cars—is the fastest - growing development in Canadian transportation.

Since **Canadian National Railways** and **Canadian Pacific Railway** first offered a piggyback service between Toronto and Montreal in 1952, its use has grown steadily.

During the last two years growth has been rapid as the service was extended coast to coast.

In 1959, close to 435,000 flat cars were loaded in piggyback service — each carrying a fully loaded trailer that was hauled by truck from the shipper to the railway car, then hauled by another truck tractor to the final customer destination.

That figure is a gain of 75% over loadings in 1958.

Increase in 1960 probably will be limited only by availability of suitable equipment and the extent to which services are expanded, railwaymen say.

Loadings now are running about 3,000 per week.

Importance of this development to the railways is significant when compared to rail car loadings generally, which increased only 2½% over 1958.

Newest development—winning favor in the U. S. but not yet adopted widely in Canada — is shipping in large cargo containers, the size of a truck body but without wheels.

Containers can be hauled on trucks, then transferred to either a railway car or a ship, and transported by truck again at destination.

Use of containers almost completely eliminates pilferage, and cuts costs considerably as compared with traditional shipping methods, it is claimed.

Most cargo containers are made of aluminum.

For the railways — required to carry cargo to serve slightly more than 17 million people, at fixed rates, over 50,000 mi. of track—piggyback has provided a service competitive with both long-distance truck hauling, and shipping services made possible by the St. Lawrence Seaway.

First international piggyback run — from Toronto to New York—was started early in the year by CNR.

Another development, in the railways' bid to reduce costs and meet competition, was inauguration by CPR at Vancouver of Canada's first combined rail and truck terminal.

The terminal, built at a cost of $840,000, co-ordinates the railway's express, truck and less-than-carload rail freight shipments at the West Coast port.

Regarded frankly as a pilot project, the new terminal will offer shippers alternate forms of transportation under one central department.

One advantage:

Shipments can be forwarded to any point by the best method, to eliminate delays that might be caused by weather conditions.

Meanwhile, in 1959 Canada's railways continued and almost completed their current program of changing from coal-burning to diesel locomotives.

Exporters Association Helps You do Business with Canada

The Canadian Exporters Association will help overseas buyers by answering enquiries, making individual contacts between exporters and buyers, and publishing enquiries in its bulletin.

Formed in 1943, the Association includes about 325 member companies concerned, directly or indirectly, with Canada's export trade.

Members are mainly producers of fully fabricated or semi-fabricated goods.

There are also many important producers of raw materials who belong to the association.

Service industries such as chartered banks, steamship lines, marine insurance companies, international freight forwarders and international advertising agencies are also represented.

Membership rosters are shipped to Canadian Trade Commissioners in more than 50 countries for distribution to interested buyers, agents and trade organizations, listing the products and services offered.

The association serves its members by providing information about documentation, translation, pricing, market research, export procedures, agency appointments, interpretation of import and exchange controls abroad and so on.

It advises legislators on the probable effect of proposed legislation; provides a channel of communication with the government and its agencies; and makes representations about members' problems.

Following representations of the association and other interested groups, the government last year changed the terms offered by the Export Credits Insurance Corp.

The altered terms are considered more favorable to exporters of capital equipment.

Notes accepted from foreign buyers will now be 100% guaranteed by the government corporation, even if sold by the exporter.

In a brief submitted to the prime minister this year, the association asked for full or partial income tax deductibility for the cost to exporters of the premium on the Canadian dollar.

In collaboration with the Institute of Export, London, England, the association sponsors a correspondence course in exporting at the University of Toronto.

It also offers evening courses in Spanish at the association head office in Toronto.

The association publishes and distributes a nine-page list of names of foreign consular and trade representatives throughout Canada and issues members with a 10-page guide showing documentation requirements for freight, parcel post and air-cargo shipments to principal countries.

CALGARY
VANCOUVER
SEATTLE
PORTLAND
OAKLAND
SAN FRANCISCO
LOS ANGELES
PHOENIX
DULUTH
ST. PAUL
MINNEAPOLIS
MILWAUKEE
CHICAGO
DETROIT
ST. LOUIS
INDIANAPOLIS
TULSA
NEW ORLEANS
MONTREAL
TORONTO
BOSTON
NEW YORK
BUFFALO
CLEVELAND
PITTSBURGH
NORFOLK
ATLANTA
CHARLESTON
LONDON
HAVANA
SAN JUAN
MEXICO CITY
MARACAIBO
CARACAS
CALI
LA PAZ
BELO HORIZONTE
CAMPINAS
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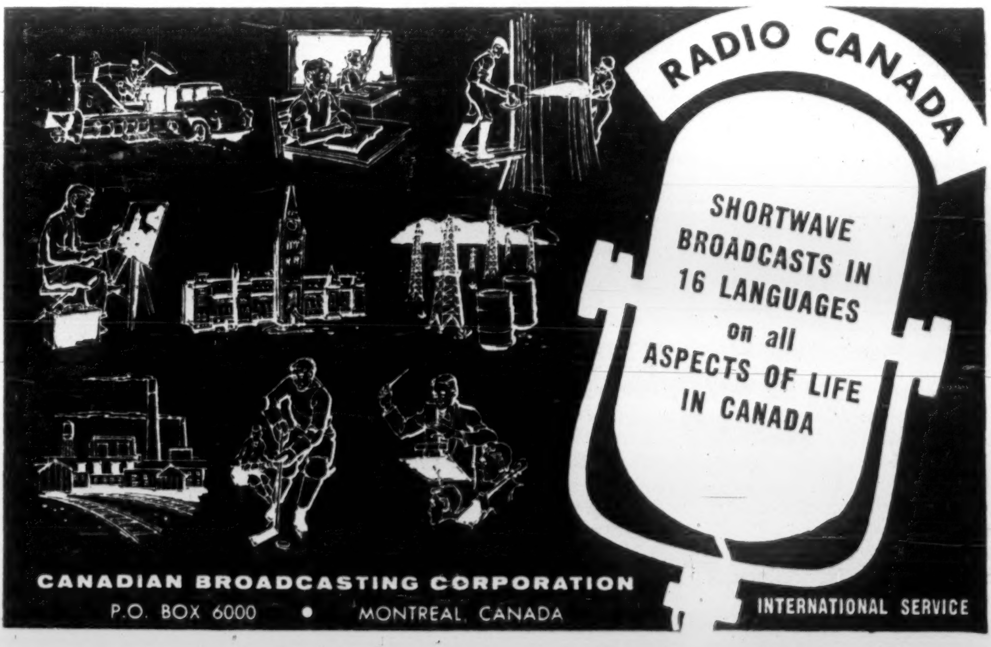
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Tradition Colors Canadian Cooking

Still a young country, Canada has not yet developed a truly unique style of cookery.

Much has been borrowed from the U.K., France and other countries whence Canadians originally came.

But modification of foreign dishes to suit the Canadian climate and way of life, plus use of food products native to (and in some cases peculiar to) Canada has resulted in a large number of original dishes.

Some of these are almost forgotten today as Canada becomes more sophisticated.

In pioneer days, diets contained more carbohydrates and fats to counteract extreme cold.

And with the postwar onslaught of immigrants from many countries — each bringing their own native dishes — international cookery is widely practiced.

Maple syrup, produced in large quantity in Quebec, the Maritime Provinces and Ontario, is one of the oldest Canadian foods.

It was produced by the Indians long before white men settled in Canada.

Recipes using maple syrup would fill many volumes.

Canadian fruit, especially from the Okanagan Valley in British Columbia, the Annapolis Valley in Nova Scotia and the Niagara Peninsula of Ontario is of very high standard.

Some of it is distinctively Canadian, such as apples which have been specially developed here.

Two of the most famous Canadian apples are McIntosh Red and Fameuse (or Snow).

The blueberry, which grows in profusion in many parts of the country, is one of the most valuable native fruits.

Regional berries include the Saskatoon (after which the capital of Saskatchewan was named) which grows wild in the Prairies and choke-cherries used for making delicious jelly.

Canadian cheddar cheese is considered among the finest in the world.

Several varieties are made in Ontario.

Ermite—a blue-type cheese made by the Benedictine Fathers in Quebec is a Canadian specialty as is Oka, the semi-soft "strong" cheese made by the Trappist Monks at Oka, Que.

Canadian waters yield some of Canada's finest food products.

Salmon — coho, sockeye, spring and pink on the West Coast, Gaspé and Restigouche on the East Coast — rank with the best in the world.

The famous Winnipeg Goldeye when cured with willow smoke is a unique Canadian dish.

Crab meat from the east and west coasts, Atlantic mussels and lobster, Malpèque and Buctouche oysters are world famous.

Canadian meat products are among the finest quality in the world. Beef, lamb and pork products have international reputation.

Particularly famous is Canadian bacon — cured in maple syrup in some parts of the country.

There are also some very local products such as fern fronds found in the Maritimes.

Popularly known as "fiddleheads", the fronds are picked before they uncurl and boiled like asparagus.

Another Maritime specialty is the dike mushroom — found along the dikes of the Fundy shore of Nova Scotia and said to be especially tasty.

Using local products, every area has developed some special dishes. Here are the most popular:

- **Atlantic Provinces:** Baked cod tongues, flipper pie (made from meat of seal flippers), fish and brewse (codfish and broken sea biscuits soaked together in milk), fried Gaspereaux herring (from the Annapolis Valley), Digby chicks (salted smoked fillets of herring), dulse (sea-weed), clam chowder, steamed Restigouche salmon, potato pancakes (especially in Prince Edward Island), soused (pickled) mackerel.
- **Quebec:** Habitant pea soup, French-Canadian family soup (subtle blending of many vegetables and meat stock garnished with bread and cheese), Brome Lake duckling served with wild rice, tourtière (pork pie), creton français (like paté de foie gras) and many sweet deserts and tarts made from maple syrup.
- **Ontario:** Many nationalities contribute to the popular dishes of Ontario.

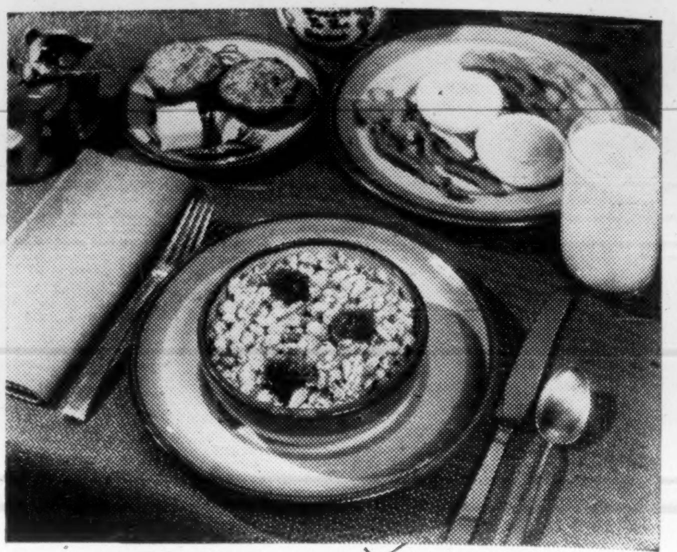
One of the most interesting is the German-Canadian cuisine of the Kitchener area.

Specialties here include sour cream pie, pickled corn (tiny cobs about two inches long), fried crullers (muffins) pork hocks with sauerkraut and other pork dishes.

- **Prairie Provinces:** Red-pepper jam, blueberry muffins, Saskatoon-berry pie, jellied mossberries, chuck wagon stew, honey rhubarb pie and wild rose hip catsup.
- **British Columbia:** Hot crab salad, apple dumplings, oyster cream, apple and tuna salad.
- **Yukon:** Among the most famous Canadian recipes are those handed down by the "sourdoughs" — prospectors of Gold Rush Days, so named because they used sourings instead of yeast for cooking.

In the intense cold, yeast was not satisfactory.

Sourdough bread, sourdough muffins and sourdough hot cakes are favorites of this school of cookery.


THERE IS NO one national dish in Canada.

THE NEW LOOK IN Québec

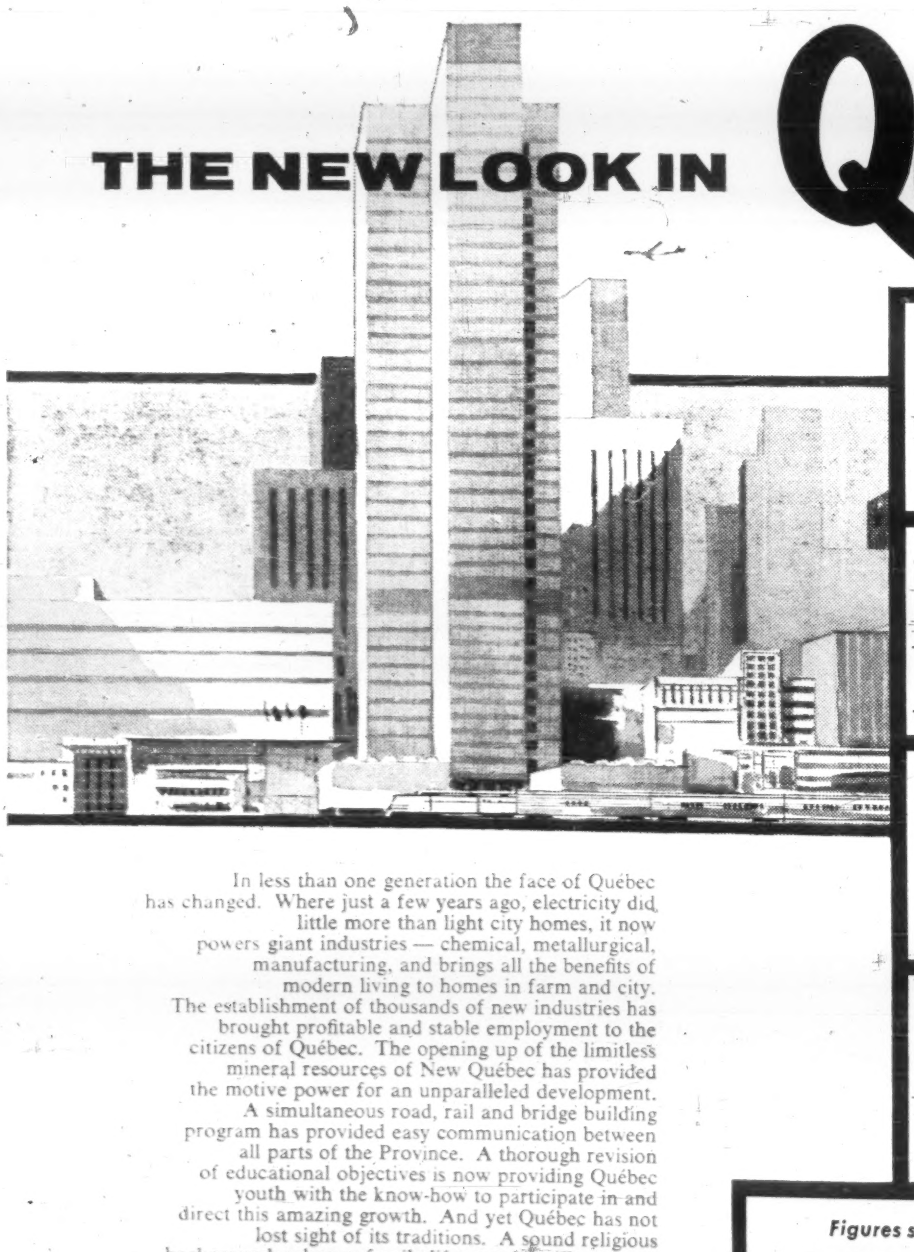
In less than one generation the face of Québec has changed. Where just a few years ago, electricity did little more than light city homes, it now powers giant industries — chemical, metallurgical, manufacturing, and brings all the benefits of modern living to homes in farm and city. The establishment of thousands of new industries has brought profitable and stable employment to the citizens of Québec. The opening up of the limitless mineral resources of New Québec has provided the motive power for an unparalleled development. A simultaneous road, rail and bridge building program has provided easy communication between all parts of the Province. A thorough revision of educational objectives is now providing Québec youth with the know-how to participate in and direct this amazing growth. And yet Québec has not lost sight of its traditions. A sound religious background, a happy family life, a stable government, every facility for sport and play, make La Province de Québec a good place in which to live and work. It offers every advantage to new industries, and every opportunity of profit to the investor.

Figures show that Quebeckers live well

Population 4,955,000
Personal Income $6,165,000,000
Retail Sales $3,596,700,000
Farm Production $626,000,000
Manufactured Products $8,236,100,000
Homes electrified 98.5%
Homes with radio 96%
Homes with TV 69.7%
Homes with telephones 78.7%
Passenger Cars 726,582
Motor trucks & buses 201,425

LA PROVINCE DE Québec

For further information on La Province de Québec, write: Provincial Publicity Bureau, Parliament Buildings, Québec City, Canada; or 50 Rockefeller Plaza, New York 20, N.Y.



Canadian Importers Help, Advise on Markets Here

Here's an organization that may be able to help you sell in Canada:

It's the Canadian Importers and Traders Association, with a head office in Toronto.

The association is entirely devoted to the interests of the import trade.

Its 450 members throughout Canada include a variety of people and firms involved in the trade.

Some import merchandise and carry it in stock.

Others, acting as agents, sell stock from samples and allow the buyer to import the merchandise.

Members include department and chain stores, other retail stores, wholesalers, manufacturers importing raw material or semiprocessed goods, transportation companies, customs brokers and forwarding agents, advertising firms, insurance companies, warehousers, consuls, trade commissioners, banks and finance companies, trade promotion offices.

A weekly bulletin published by the association includes a listing of foreign manufacturers who are seeking outlets for their products in Canada.

These notices total more than 1,000 in a year.

The bulletin also keeps members informed about government regulations and other developments in the trade.

The association was formed in 1927 and incorporated in 1936.

It gives help and advice to members and others who have special problems, but does not act as a customs broker.

In a statement of policy, the association says:

"We believe that Canada is most prosperous when its international trade is at its highest level.

"International trade is made up of both exports and imports.

"We want both to increase and we realize that we cannot have one without the other.

"In doing what we can as a group to increase Canada's imports, we are making it possible for Canadian producers of manufactured goods, agricultural products and mineral products, to sell these products in foreign markets.

"These producers must export if they are to be kept fully employed and they can only export if we buy from the people outside Canada to whom they must sell."

The association feels the import trade is particularly susceptible to what it calls **a** "trend toward greater government regulation of business" and complication and difficulties created by government control.

"Under present government policy," the association says, "Canada has a prosperous economy but representations on tariffs and necessary changes in customs, legislative and administrative procedures are constantly required."

For this latter purpose, the association meets annually and prepares briefs to be presented to the departments of Finance, National Revenue and Trade and Commerce.

The association last year pointed out the world trend to freer international movement of goods.

As a general policy, the association is against any additional restrictions on international trade by Canada, but does not advocate free trade.

NEW PARK

A new 2,384-acre provincial park has been established in southern Alberta, about 40 mi. west of Calgary. To be called the Bow Valley Provincial Park, the wooded, rocky area boasts three lakes and magnificent views of the Rocky Mountains in the north and west.

Wealth In The Arctic

More and more the eyes of Canadians are turning to the mineral wealth lying in the islands and beneath the seas of Canada's Arctic archipelago.

There are 450,000 sq. mi. of bleak and windswept islands between the Canadian mainland and the North Pole.

These islands are Canadian territory.

Extending from the islands' northern border, and running in a ribbon 50 mi. to 300 mi. wide from Alaska to Greenland, is the polar continental shelf, several thousand square miles of sea bottom where the sea waters are shallow.

A law-of-the-sea conference in 1958, attended by some 80 nations, agreed that Canada has rights to minerals found on the polar continental shelf.

The Canadian government, and Canadian private companies will spend an estimated $5 million next summer exploring the islands and testing the continental shelf for minerals.

The islands all have geological structures of types indicating the presence of oil.

These structures are believed to continue throughout the undersea continental shelf.

The islands and the shelf between them, it is believed in Canada, may become one of the world's great oil sources.

Oil could be pumped, via undersea pipelines, to points along the eastern shore of Baffin Island, where it could be picked up by tanker.

Until recent years, Canadian claims to the islands were based more on theoretical principles of international law than on effective occupation.

The original inhabitants of the islands were some thousands of Eskimos, who lived mainly on Baffin Island, and subsisted on game.

Canada claimed the islands by virtue of right of discovery (most of them were first explored by U. K. naval expeditions and these discovery rights were passed to Canada) and on the so-called sector principle — the idea that a country could claim all the unoccupied land between its own northern or southern border, and the north or south pole.

About 1950, Canada wakened up to the fact that schools, townsites and airstrips on the islands are a far more effective claim than legal arguments.

We now have one town of some 800 people on the islands —Frobisher Bay on the southern shore of Baffin Island.

We have a dozen smaller settlements scattered across the other islands.

A recent count showed 302 federal civil servants stationed permanently on the islands.

Here's a rundown on what they do:

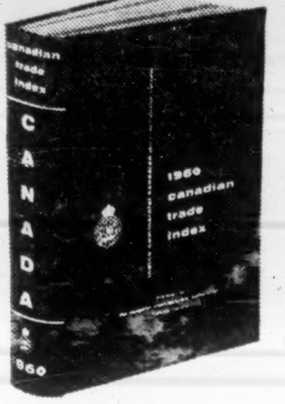
- **218 look after communications,** weather reporting, transport and supply for permanent and seasonal residents.
- **Six are scientists** from Dominion Observatories, National Research Council and Defense Research Board.
- **42 look after the 3,500 Eskimos** on the islands, either as northern service officers, responsible for teaching the Eskimos the ways of the white man, or as welfare officials.
- **34 are Royal Canadian Mounted Police.** Not only are these men living symbols of Canadian sovereignty, but they are administrators, welfare workers among the Eskimos, customs officials, postmasters and game wardens as well.
- **Post Office and Customs departments** each have a man on the islands.

Every year, some 400 people come to the islands for the summer, leave in the winter.

Next summer there will be expeditions prospecting for minerals other than oil, scientific expeditions investigating plants, animals and archaeology.

And the government plans to build about $4 million worth of houses, schools, administration buildings and airstrips on the islands in the summer of 1960.

CANADIAN TRADE INDEX



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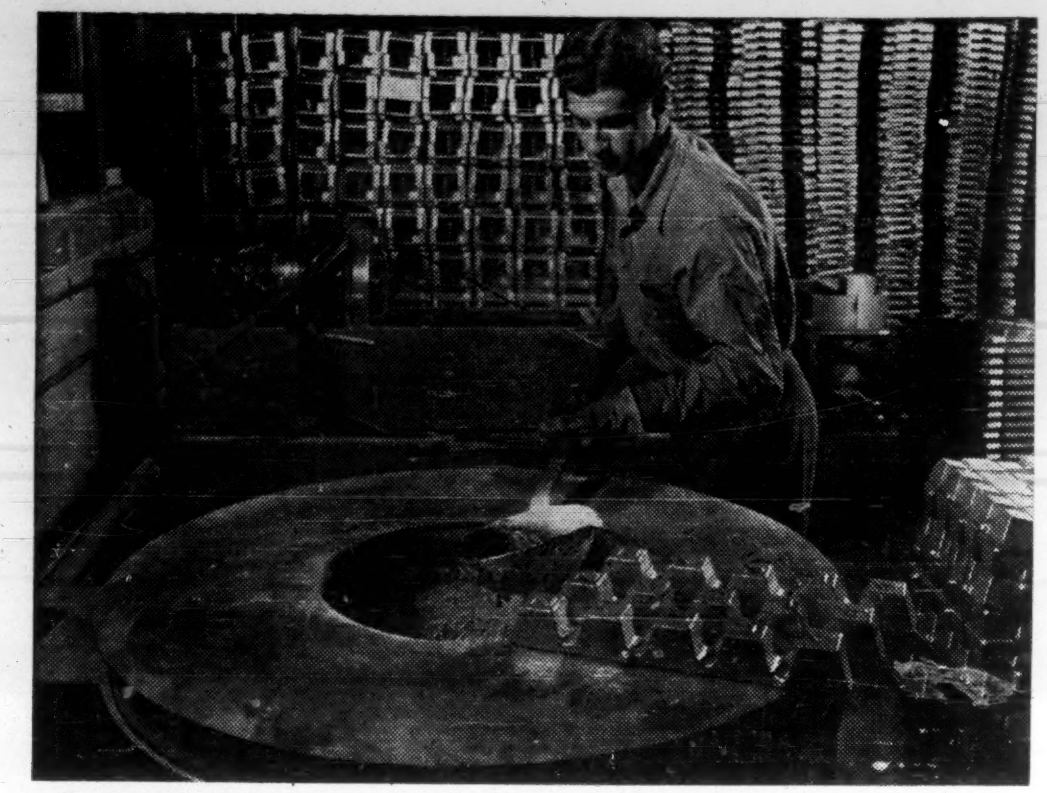

LADLING MOLTEN aluminum which is to be poured into dies to produce castings for electrical equipment.

Cheap Power, Shipping Build Aluminum Sales

For aluminum - making you need huge quantities of cheap power and proximity to deep-sea shipping lanes.

That's why Canada has become one of the world's top producers and exporters of the light metal.

World aluminum capacity is approaching 4.5 million tons annually. With capacity of about 860,000, Canada thus has about 20% of the total.

In recent years Canada has exported more than 450,000 tons annually.

Expansion of the Canadian industry is far from over.

World demand is rising quickly.

There are predictions, for instance, of an increase of more than 15% this year, following recovery in 1959 from a short sharp recession in demand for the metal.

As an indication of the metal's rising popularity, production of aluminum was only a few hundred thousand tons a year in the late 1920s and early 1930s.

During World War II, it topped two million one year, then dropped below a million shortly after the war.

So expansion has been recent and rapid.

Canada still has suitable aluminum smelter-sites on its east and west coasts.

More important, probably, its two ingot-producers—**Aluminum Co. of Canada** and **Canadian British Aluminium Ltd.**—plan continued additions as demand justifies.

Alcan — subsidiary of **Aluminium Ltd.**—is the big, long-established company, one of the world giants in the industry.

It has annual capacity in Quebec and British Columbia of 770,000 tons.

Production in Alcan's Canadian smelters last year was about 520,000 tons compared with 600,000 in 1958 and 557,000 in 1957 when a strike hurt production in Quebec.

Rapid increases in the output rate in late 1959, reflecting strong export markets, resulted in a company prediction that production in 1960 would be around 675,000 tons. This would be 87% of present rated capacity.

The company can bring in additional capacity in Quebec and Kitimat, B.C., quite easily and inexpensively.

Power has already been made available.

Alcan continued with work on the million-hp Chute-des-Passes power project in Quebec throughout the recent recession. Chute-des-Passes now is completed.

Alcan also has the alumina capacity to sustain expansion.

Alumina, produced from bauxite, is the basis for ingot production.

It appears that Alcan can relatively easily raise its capacity to about a million tons of ingot a year.

Aluminium Ltd. and Alcan have extensive properties—as well as markets — in many parts of the world.

These produce raw materials, ingot, fabricated products.

Among nations in which the companies have major interests: The U. K., Jamaica, British Guiana, France, Guinea, Brazil, Norway, India, Japan, Australia and New Zealand.

There is a wide distribution network in the U. S., a top customer. In addition, there are varied interests in many other countries.

Figures for 1958 show that shipments from Alcan smelters totalled 549,000 tons.

Of this, 195,000 went to the U. S., 153,000 to U. K., 80,000 to Canada and 121,000 elsewhere.

The younger, smaller Canadian ingot-producer is **Canadian British.**

Its smelter at the fast-growing Lower St. Lawrence port of Baie Comeau has a 90,000-ton annual capacity.

It is planned to extend this to 180,000, although the timing of growth hasn't been announced.

The smelter started production late in 1957, has recently been operating at capacity.

Company is owned by **British Aluminium Co.**—the controlling parent — and **Quebec North Shore Paper Co.,** which has a newsprint mill at Baie Comeau.

British Aluminium in turn is now controlled by British and U. S. capital, the latter being big U. S. ingot-producer **Reynolds Metals.**

This links the Baie Comeau smelter with **Reynolds Aluminum Co. of Canada,** fast-growing fabricator at Cap-de-la-Madeleine, Que.

Since the change in ownership of British Aluminium, Canadian British has been shipping ingot to Reynolds of Canada.

With plenty of power available and a location on world shipping lanes, there are reports that Canadian British plans eventual expansion beyond 180,000 tons capacity. But there is nothing official on this.

Summary:

Canadian aluminum smelters look for rapid growth based on expanding U. S. and overseas demand.

Farmers Gamble On Hail-Killers

The hail-killers have upped the ante a nickel an acre.

Some 2,500 farmers in this district are faced with a $150,000 gamble on whether U. S. weather-makers can take the sting out of this year's hail storms.

The 2.5 million acres they farm are said to be the worst in the continent for hail damage.

Last year they paid 10c an acre for hail protection and the results were not notably successful.

This year the levy will be boosted to 15c.

The farmers will vote in a series of plebiscites next month to decide whether they want to try it again.

Some farmers say it's a waste of money.

Others say that if the scheme will turn even some of the hail into rain it's worth the price.

The provincial government will have nothing to do with it. It says the plan has never been scientifically proved.

The U. S. firm that supplies and operates the equipment during the hail season has been seeding clouds with silver iodide.

Local 'Charge It' Firms Invade Credit Card Field

Now moving into the "mass credit" business alongside the big international organizations, Canadian companies are offering "charge it" facilities for a host of local services.

One company, **Master Credit Service Ltd.,** started in the Ottawa - Hull area, is the brainchild of chartered accountant A. H. Ritchie, a former Commissioner of Finance for the City of Ottawa.

"Designed primarily for local services, the card does not include travel facilities," Ritchie told **FP.**

"The subscriber pays nothing for his card, and is not held responsible for charges made against it if it is stolen," Ritchie says. The shopper is offered 30-day credit free of charge, or installment buying privileges with service charge.

Co-operating merchants pay 5% commission on Master Card sales.

Shoppers Club of Canada, a Hamilton, Ont., credit organization, started operation in July, 1959.

An offshoot of **Hamilton Discount Corp.,** it's run by Hamilton businessmen who have been active in credit for a number of years.

"It is a family idea, not designed for the traveling executive," says Manager M. Sniderman.

Card holders, who are carefully screened, are free to buy anything up to the value of $75 without a credit check being made.

The card is issued free of charge to the subscriber who can have 30 days' free credit or installment buying at a service charge.

Co-operating merchants in this scheme pay 6% commission.

International Charge (Canada) Ltd., wholly owned subsidiary of **Seaboard Finance Canada Ltd.** (in turn subsidiary of **Seaboard Inc.** of the U. S.) started credit card operation in Toronto. Expansion all over Canada was planned.

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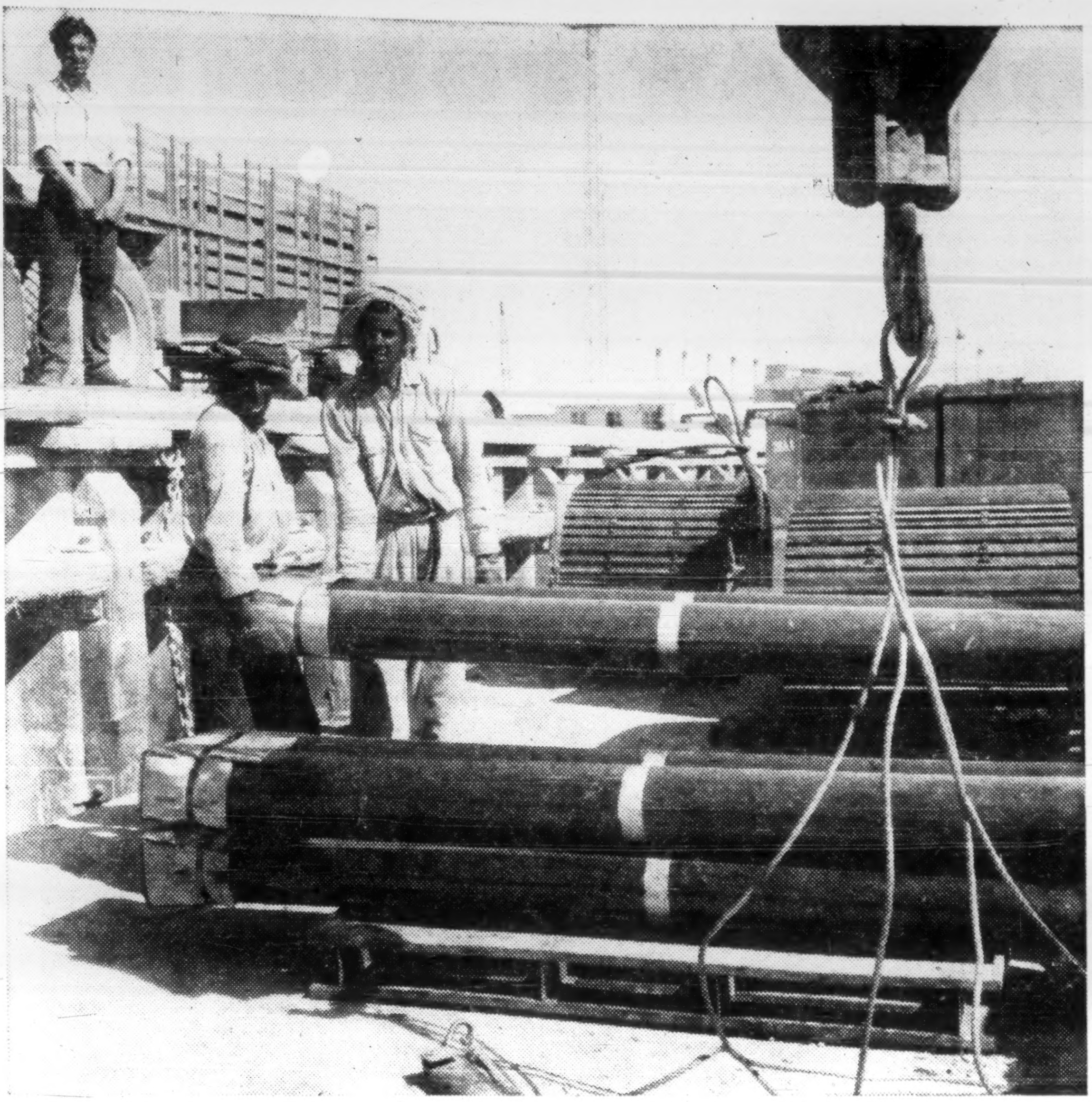
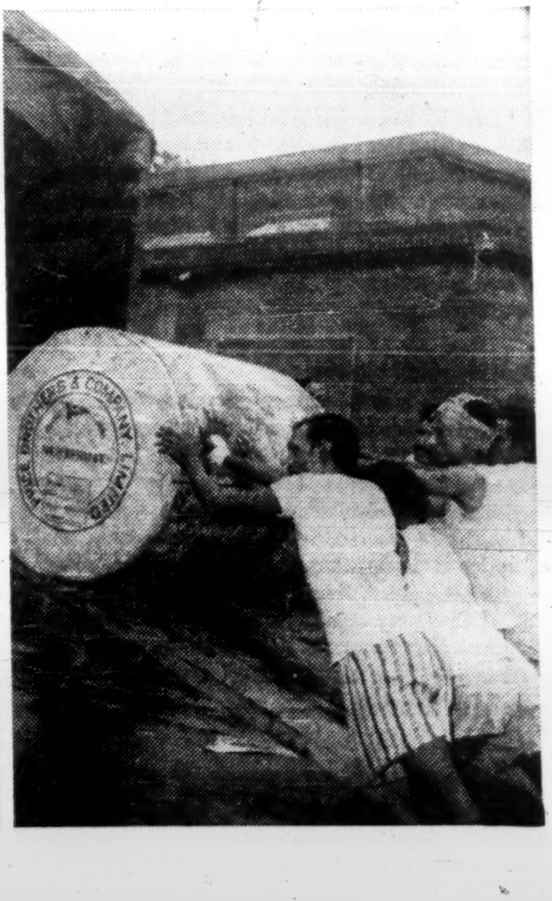


MIEUX
POUR
MOINS

OCEAN FRESH

Trade Overseas

Throughout the world you will find Canadian goods. Steel tubing for Colombo Plan projects in India, pedigree stock for South America. In 1959 Canadian exports were higher than ever before at $5,180 million, 5% higher than the two previous years.



Half of Revenue From Income Tax

Income tax has been the biggest source of revenue of the Canadian government for more than 20 years. It provides more than half of all federal tax revenues.

Although tax rates have been reduced from the extremely high levels which were found necessary to finance Canada's war effort, revenues still remain high because of the increase of personal income, the growth of the labor force and the expansion of industry generally since 1945.

According to a forecast by the Minister of Finance, the personal income tax is expected to produce $1,578 million in revenue in the fiscal year ending March 31, 1960, compared with $1,371 million in the previous fiscal year.

The finance minister further predicted that income tax revenue from corporations would rise to $1,097 million in the year ending March 31, 1960, from $1,029 million the year before.

An additional $75 million revenue would come from income tax on non-residents of Canada, it was predicted.

In the 1959 fiscal year, $60 million came from this tax source.

Thus, income taxes will provide 55.9 % of the current fiscal year's estimated tax revenues of $4,757 million, and 50.5% of the government's total budgetary revenue.

Individuals who reside in Canada are liable for the federal tax on income from all sources, both domestic and foreign.

It is estimated there were 4.3 million individual income taxpayers in 1959, out of a total Canadian working force of 6.2 million.

Individuals who do not reside in Canada must account for the tax on Canadian income from employment in Canada, or from a business carried on in Canada.

In calculating federal taxable income, taxpayers are allowed certain specific deductions, such as:

- **The first $1,000 of income** of a single person without dependents is deductible.
- **The first $2,000 of income** is deductible by a person who is taxed as married. But this is reduced by the excess of the spouse's income over $250.
- **Persons 65 years of age or over** may deduct an additional $500.
- **For each child who is wholly dependent** on the taxpayer and is qualified to receive the monthly allowance from the federal government, the taxpayer may deduct $250.
- **A $500 deduction is permitted** for each other dependent child under the age of 21, or for a dependent child who is either incapacitated or a full-time student.

Among the other permitted deductions from taxable income are the amounts spent on medical expenses in excess of 3% of income, and charitable donations up to 10% of income.

Since 1957, Canadians have been permitted a $100 standard deduction for such expenses as these, even if their actual expenditures were less than $100.

The marginal rate of tax — that is, the tax as a percentage of earned income after deductions — in 1960 rises progressively from 11% to 84% on taxable income which exceeds $400,000.

(There is an additional 3% levy, known as the Old Age Security Tax, on the first $3,000 of taxable income.)

Here are examples of marginal tax rates for 1960:

▶ **On taxable income, after deductions, of $3,000,** the rate is 19%.

▶ **On taxable income of $10,000,** the rate is 35%.

▶ **On taxable income of $50,000,** the rate is 59%.

The province of Quebec has, since 1954, applied its own provincial income tax.

The effect of this, in combination with certain tax-abatements allowed by the federal government, is that some Quebec residents with relatively modest incomes pay lower taxes than do residents of other provinces with the same income, while those with higher incomes pay more.

The scope of the corporate income tax, and the distinction between resident and non-resident taxpayers, are similar in principle to the personal income tax provisions.

Tax rate on corporation income in excess of $25,000 is 50%, made up of 47% income tax and 3% Old Age Security Tax. The first $25,000 of corporate income is taxed at the combined rate of 21%.

(Comparable rates in the U.S,. currently, are 52% and 21%.)

The effective rate of federal corporate income tax in Canada — that is, the total tax as a percentage of taxable income — in 1959 was 35.5% on $50,000 taxable income, 42.8% on $100,000, and 48.6% on $500,000.

A federal abatement of 9% of taxable income applies to corporations in Ontario and Quebec the only provinces which do not have tax-sharing government concerning corporation income.

Thus, the federal income tax and Old Age Security Tax on companies in the two central provinces amounts to 12% on the first $25,000 of income, and 41% on the excess over that amount.

Ontario taxes corporate income at the rate of 11%, and Quebec at the rate of 9%.

Therefore the maximum combined federal - provincial tax rate is 52% in Ontario, and 50% in Quebec.

Here's the New Plan For Montreal Subway

Montrealers are again turning to a favorite topic—a subway system, or, more specifically, the lack of one.

Interest in this hardy, almost annual, debate has been heightened by a new subway plan proposed by a recently formed company, **La Société d'Expansion Métropolitaine.**

Using a route structure proposed by **Montreal Transportation Commission** in 1953, La Société would like to build a 23-mi. subway system for Montreal, the first 7.4 mi. of which would cost an estimated $163 million.

The subway La Société proposes is modeled after the rubber-tired section of Paris Metro which for the past five years has been offering Parisians a comfortable, quiet, high-speed ride.

Financing of the subway system would be by a syndicate comprising Canadian houses **Crédit Interprovincial Ltée, Forget & Forget Ltée, Nesbitt, Thomson & Co.** and the U. S. firm of **Lehman Bros.**

In a detailed brief unveiled at a luncheon meeting of La Chambre de Commerce, La Société outlined many compelling reasons why a subway should be built—and built as quickly as possible.

La Société has exclusive rights to the rubber-tired subway system which, it is claimed, is faster and cheaper to build and operate than a convention steel wheel network.

Guarantees of technical assistance and co-operation have also been obtained by La Société from **Paris Transportation Authority.**

DECISION...

Whenever decisions are to be made concerning manufacturing or doing business in the Province of Ontario — Canada's industrial heartland — business executives the world over are turning to the services of the Trade and Industry Branch of the Ontario Government.

The Branch maintains offices in Toronto, New York, Chicago and London, England, especially equipped to assist you in doing business in Canada and to provide ready information on all factors related to branch plant establishment, including markets, raw materials, labour, power, transportation, industrial sites and premises and other vital statistics concerning Ontario's expanding economy.

Ontario provides an ideal location for industry in the heart of North America, where manufacturers produce half of Canada's annual $23,000,000,000 worth of manufacturing output in a market containing over one-third of the nation's population.

Write today for your complimentary copy of "Fabrication Gaps in Canadian Manufacturing Industry", a booklet which suggests manufacturing possibilities indicated by Canadian imports.

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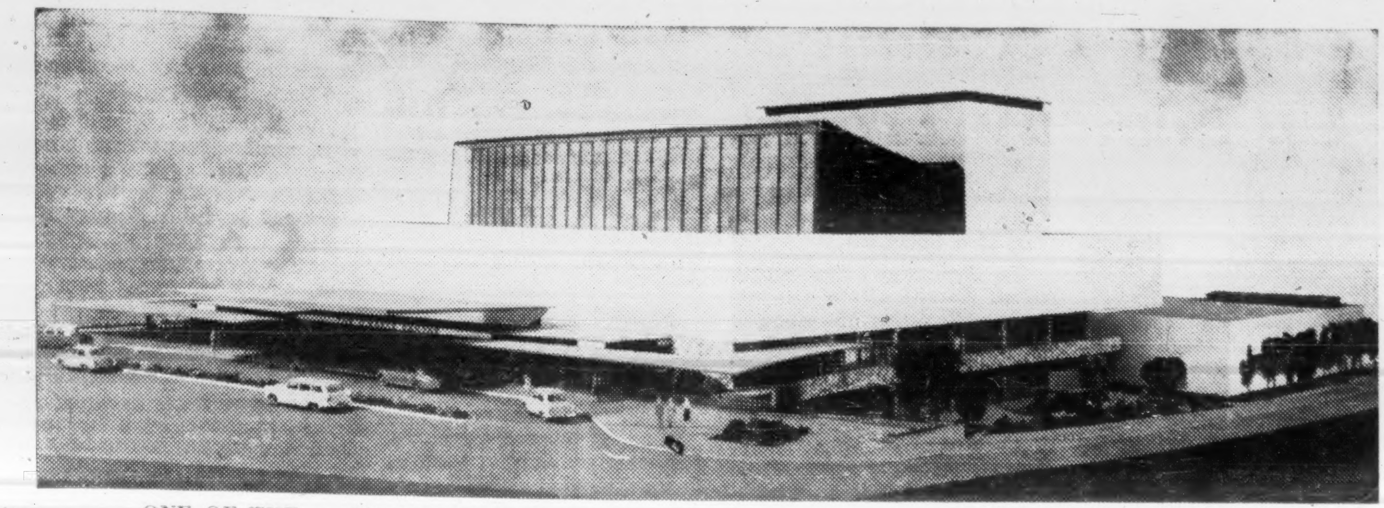


ONE OF THE world's best equipped theatres, the O'Keefe Centre, will open in Toronto this year.

Stratford Leads Way In Cultural Growth

The arts in Canada appear to be destined for another decade of rapid development.

The flourishing of the performing arts during the past decade corresponded closely to the growth of Canadians' leisure time.

The transition to the five-day work-week and to the shorter work-day has given Canadians more time to enjoy and share in the development of the country's artistic life.

In the theatre, in ballet, in opera, in television, the 1950s saw a growth—both in artistic standards and in public acceptance—that may have been unmatched in any other country.

Perhaps the past decade's most notable addition to the long history of professional theatre in Canada was the Stratford Shakespearean Festival.

In each summer since 1953 the Ontario Stratford has attracted many thousands to view its distinctive and internationally acclaimed productions of Shakespeare.

More recently, a noted French-Canadian actor, Gratien Gélinas, opened his Comedie Canadienne in Montreal to present plays—most of them original—in both of Canada's two languages.

This new company takes its place beside such other respected Quebec theatrical groups as the Théâtre du Nouveau Monde, which represented Canada at the International Festival of Dramatic Arts in Paris in 1955.

Also well known beyond Canada's borders is the National Ballet Company, a group which has shown remarkably consistent growth since its foundation in 1951.

Dancers and musicians of the National Ballet have toured extensively throughout Canada and the U. S., and were acclaimed for their 1958 performances in Mexico City.

Opera has attracted increasing numbers of devotees in recent years.

In this field, the Canadian Opera Company of Toronto has had the most consistent record of successes since its inception in 1950, and has helped to produce such internationally known stars as Lois Marshall, Pierrette Allarie, James Milligan and Jon Vickers.

Other opera companies are active in such centres as Vancouver, Montreal and Halifax.

Opera, and to a lesser extent the other performing arts, have suffered from the lack of adequate theatres in Canada. **But this lack is now being at least partially offset.**

Alberta's two biggest cities, Calgary and Edmonton, have each built splendid new theatres within recent years.

Later this year—the opening is now scheduled for September—Toronto is to have one of the world's best opera houses, the O'Keefe Centre for the Performing Arts.

A CANADIAN production of Verdi's opera, La Forza del Destino.

Radio Stands Moon Crash

A radio transmitter that will work after being slammed into the moon has been developed by Canadian scientists.

The Canadian Armament Research and Development Establishment at Valcartier, Que., tested the miniaturized instrument package.

Dr. G. V. Bull, superintendent of CARDE's aero-physics wing, is quoted in the magazine Missiles and Rockets:

"A transmitter was found to be in good working order after taking half a million g's upon slamming into a 2-in. aluminum pipe."

The transmitter, consisting of nine electronic components specially packed into a cylinder, was placed in a projectile and launched with a speed of 6,000 ft. per sec. from a smooth-bore gas gun.

The transmitter batteries were broken off on impact, but when batteries were added in the laboratory, the transmitter was still operating.

TRANS-CANADA AIR LINES

Canada's TCA is now the Commonwealth's largest airline

TCA	1,617,541,000 Revenue Passenger-Miles*
B·O·A·C	1,422,274,000
BEA	943,322,000
QANTAS	466,925,000
TAA	415,429,000

Trans-Australia Airlines

*the figures are from IATA: WORLD AIR TRANSPORT STATISTICS FOR THE YEAR 1958

Based on the number of passengers carried and passenger-miles flown by any single airline, not including subsidiaries, TCA now ranks first among the great airlines of the Commonwealth. TCA services link all main centres in Canada from coast to coast; TCA routes cross the Atlantic to Britain and Europe, and lead southward to major U.S. cities, Florida, Bermuda, Nassau and the Caribbean. You're flying in good company when you fly with TCA!

TRANS-CANADA AIR LINES

TCA

METROPOLITAN TORONTO

With a population of more than one and a half million persons, Metropolitan Toronto houses about nine per cent of Canada's population of 17½ millions. At the same time it provides over 650,000 jobs, nearly eleven per cent of the six million jobs available in Canada. Today, employment opportunities exist not only in the dynamic financial and commercial heart of the City of Toronto, but also in the new and thriving industrial areas of the suburban municipalities.

The Municipality of Metropolitan Toronto covers an area of 240 square miles and has a taxable assessment approaching the three and three quarter billion dollars mark. As the location of the capital of the Province of Ontario and the major financial and commercial centre for all Canada, Toronto has been experiencing a surge of growth unparalleled in its history. During the last ten years Metropolitan Toronto has been growing at a rate of over four per cent each year. By 1980 it is estimated that the population of Metropolitan Toronto and its surrounding fringe area will reach 2,800,000 persons. Toronto continues to be the focal point of an economically vital area containing one-fifth of the population of Canada and one-third of the purchasing power.

CORPORATE CAPITAL

The huge steel framed buildings rising from Toronto's streets are a vivid expression of the vitality of the financial and commercial enterprises doing business in all parts of Canada and in many parts of the world. While the downtown core gains the major portion of new office building construction, other areas are obtaining noteworthy concentrations of prestige head offices and other modern buildings providing accommodation for the numerous firms expanding with Toronto. In particular Eglinton Avenue is demonstrating that it is well on its way to becoming one of Metropolitan Toronto's "main" streets.

Downtown, University Avenue continues to attract new buildings, in anticipation of the extension, now under construction, of the Yonge Street subway. When completed, the Bloor Street subway with which it will connect will enable citizens from the eastern and western parts of Toronto to reach the heart of the city with the same ease and comfort now possible for persons living along the north-south Yonge Street subway.

INTERNATIONAL PORT

The year 1959 was Seaway Year, marking the opening of the St. Lawrence Seaway. For the first time ocean going ships had the benefit of a 27 foot deep transportation route from the Atlantic Ocean to Toronto, and beyond to the head of the Lakes. In its first year as a world port Toronto handled 859 vessels, more than any other harbour on the inland waterway. More than 700,000 tons of overseas cargoes were handled on the waterfront, in addition to over 4,000,000 tons of lake cargoes.

With the opening of the "Queen Elizabeth Docks," which extend from Jarvis Street to Parliament Street, there are now eleven miles of dockage. It is estimated that without building additional facilities the Port of Toronto can easily handle more than 1,000,000 tons of overseas goods.

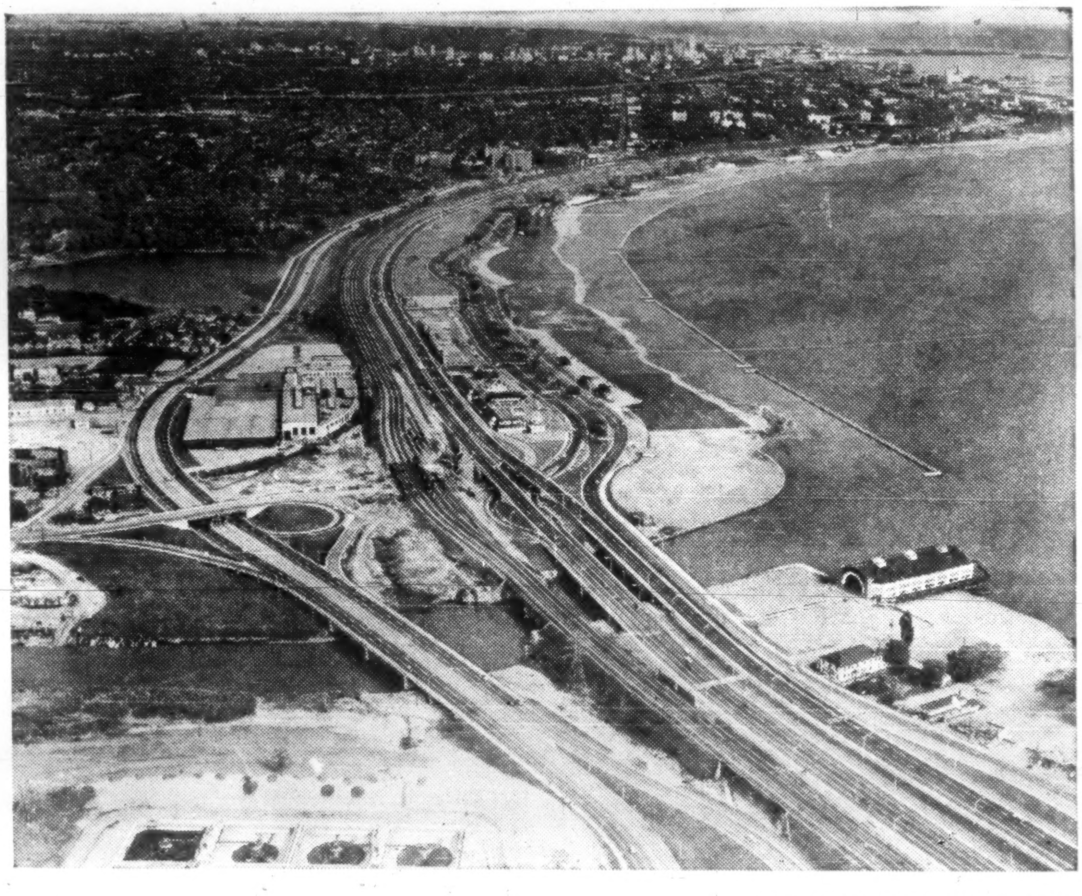
Plans have been drawn for additional harbour construction into Lake Ontario as future trade requirements develop. Over two square miles of land have already been reclaimed for the Port. Cheaper access to world markets following the opening of the Seaway is expected to lead to the expansion of the Port, and through increased trade to the economic expansion of the metropolitan area.

URBAN EXPANSION

From 1950 to 1958 rapid expansion into the countryside converted some 25,000 acres from rural to urban uses—an average of five square miles each year. Industries needing larger plants and families seeking new homes vied with each other for desirable locations in expanding townships. Schools and shopping centres accompanied residential development, and new community facilities were developed. At the present time the recently established York University is seeking a suburban site on which to locate a second centre of higher learning. New medical centres and hospitals are being planned, and recreational facilities projected.

As befits an expanding metropolis, Toronto is experiencing the transition from a community of single family owner-occupied homes to one offering, in addition, rental accommodation of all types and standards. Since the inception of Metropolitan Toronto in 1954 over 110,000 dwelling units have been built, of which over 50,000 units were other than single family houses. Apartment buildings of varying heights now dominate the Toronto horizon, and plans for well designed communities offering a variety in rental housing are now well advanced.

Toronto's industries are of a diversified character, representing nearly every form of secondary industry in Canada. The fact that no one type predominates makes for a buoyancy and stability in Metro's economy. With ample supplies of inexpensive power, a large and varied labour force, and a sizable market for all types of products, Toronto continues to attract new industries and firms.



A MAJOR METROPOLITAN PROJECT

The FREDERICK G. GARDINER EXPRESSWAY is becoming a reality on the ground. The great swatch of its route leading to downtown Toronto from its junction with the Queen Elizabeth Way can be seen immediately south of the main C.N.R. Hamilton line between the existing Lake Shore Road and the Queen Street extension. The multiple Humber crossings emphasize the dense traffic movement along the lake shore to the heart of the City.

COSMOPOLITAN CENTRE

Toronto has proved a powerful attraction to people in many places. To Toronto they came from the rural areas of Ontario, from other provinces, and especially from outside Canada. Between 1951 and 1956 approximately 175,000 persons came to Toronto, and of these over 75% were from outside Canada. Since 1956 Metropolitan Toronto has continued to attract newcomers to Canada as well as native Canadians. Today Toronto can boast of an enriched social and cultural environment through the contributions of its new citizens. While the exceptionally high rate of immigration in recent years is not expected to continue indefinitely, it is estimated that net immigration into the area will average 25,000 persons annually in the next twenty years.

METROPOLITAN GOVERNMENT

Continued urban expansion creates problems for local governments in the provision of necessary public services. To meet these problems and to plan most efficiently for the continued progress of the metropolitan area, a form of municipal government entirely new to the North American continent was formulated in 1953. The Municipality of Metropolitan Toronto, a federation of the thirteen separate municipalities in the area, was incorporated on April 15, 1953, and assumed its full powers on January 1, 1954.

In keeping with the traditions and political theory of government in Canada under the British North America Act, the thirteen constituent municipalities retained their local autonomy and local responsibilities while the Metropolitan Government was charged with responsibility for major metropolitan services.

Thus "Metro" is constructing and enlarging water purification and sewage treatment plants together with their trunk mains, and designing and building a network of arterial roads and expressways to serve all parts of the Municipality. Metro has assumed the statutory obligations of the area municipalities with respect to homes for the aged, hospitalization or burial of indigent persons and their dependents, post sanitarium care, maintenance of neglected children, and related matters. It also has powers similar to other municipalities with respect to housing. Other Metropolitan responsibilities include the police force, the jail and courthouses, licensing, civil defense, and certain parks. The Metropolitan School Board has similar metropolitan powers with respect to education while the Metropolitan Planning Board has planning jurisdiction within the metropolitan area and a large area beyond the boundary of Metropolitan Toronto. The Planning Board has recently prepared the Official Plan for the 720 square miles in the Planning Area.

The Toronto area was the first community in the western hemisphere to give official political recognition to the fact that modern industrial society has created a new form of human settlement—the Metropolitan Area. Formulation and establishment of Metropolitan Toronto has taken place during the period of Toronto's most rapid growth and greatest prosperity. The Metropolitan system is being studied by many urban governments throughout the North American Continent as a serious attempt to solve the many problems common to all expanding metropolitan areas and to obtain the economic, social and political advantages that come with co-ordinated growth.

COMMERCIAL & INDUSTRIAL CENTRE OF CANADA

Secondary Exports On the Increase

Canada is recognized as a great exporter of raw materials and food.

Not so well known is Canada's role as a supplier of fully manufactured goods.

As the nation's industry has grown, so has the engineering proficiency displayed in many of its exports.

For instance, one small Toronto firm, **Electrolyser Corp.**, has exported hydrogen and oxygen generating plants worth $20,000 and up to countries around the world.

They have been sold in Panama, El Salvador, Mexico, Cuba, Brazil, the U. S. and Iran in competition with both U. S. and European firms.

Sales of farm machinery and implements totaled $100 million for the first 10 months of 1959.

This item included mowing machines and reapers, milking machines, reaper threshers or combines, cultivators, drills and sowers, ploughs and planters.

One Canadian farm machinery company, **Massey-Ferguson Ltd.**, had world-wide sales of $440 million in the fiscal year ended Oct. 31.

Of this, Canadian sales were $40.3 million and U. S. sales $130 million.

Remaining sales were in Europe, Africa, Latin America, Asia, Australia and New Zealand or elsewhere, in some cases sales of production from overseas factories.

Cockshutt Farm Equipment Ltd. of Brantford, Ont., is exporting to more than 50 countries throughout the world.

Other Canadian farm machinery companies in the export business include **International Harvester Co. of Canada** and **John Deere.**

Exports of aircraft and parts in the first 10 months of 1959 were worth $18 million, down greatly from the $94 million shipped in the same period in 1958.

However, prospects for higher sales this year are good.

De Havilland Aircraft of Canada, Ltd., has sold 12 Caribou aircraft, worth $500,000 apiece, to the U. S. Army.

More sales of the short take off and landing transport are anticipated both in the U. S. and as a result of a world-wide sales tour.

The value of exports of more than 1,300 Beaver and Otter aircraft over the last eight years by this firm totals some $110 million.

Canadair Ltd., Montreal, has a turbo prop freighter, the giant CL-44, that has been selling well.

Early in May of last year, **Seaboard & Western Airlines** and **Flying Tiger Line**, both U. S. firms, signed contracts worth about $70 million for 15 of the air freighters.

Later **Slick Airways** bought two and took options on four others, worth an estimated $25 million.

The firm also hopes to sell the CL-41, a jet-powered trainer that recently started test flights.

Canadian Pratt & Whitney sells a good portion of its engine and parts production outside of Canada.

This year, the Montreal aero engine firm caught the aviation world by surprise with a revolutionary new small turbo prop engine, the PT6 that could soon be powering small business planes and helicopters around the world.

Another export requiring technical knowledge is pharmaceutical products — $5 million in the first 10 months of 1959.

Charles E. Frosst & Co., Montreal, sells in the West Indies, Central and South America, Mexico and the Near East.

The firm has three South American subsidiaries.

Iron and steel products go to many countries. Exports of rolling mill products totaled $29 million for the first 10 months of 1959; of tubes, pipes and fittings, $10 million

Atlas Steels Ltd, Welland, Ont. maker of specialty steels, has subsidiaries in Mexico City and near London, England, for the sale and service of its products.

The firm also acquired an interest in a Belgian steel firm and they operate a jointly-owned sales company.

Automobiles and automobile parts accounted for more than $25 million in the first 10 months of 1959, g[illegible] to nearly 8[illegible] countries.

This is much [illegible]ed from the $106 million in automobiles and parts exported in 1952.

Biggest customers for passenger cars were South Africa, Australia, New Zealand and Venzuela.

The U. S. was the largest buyer of automobile parts.

More than $33 million of engines and boilers were sold outside of Canada in the first 10 months of 1959.

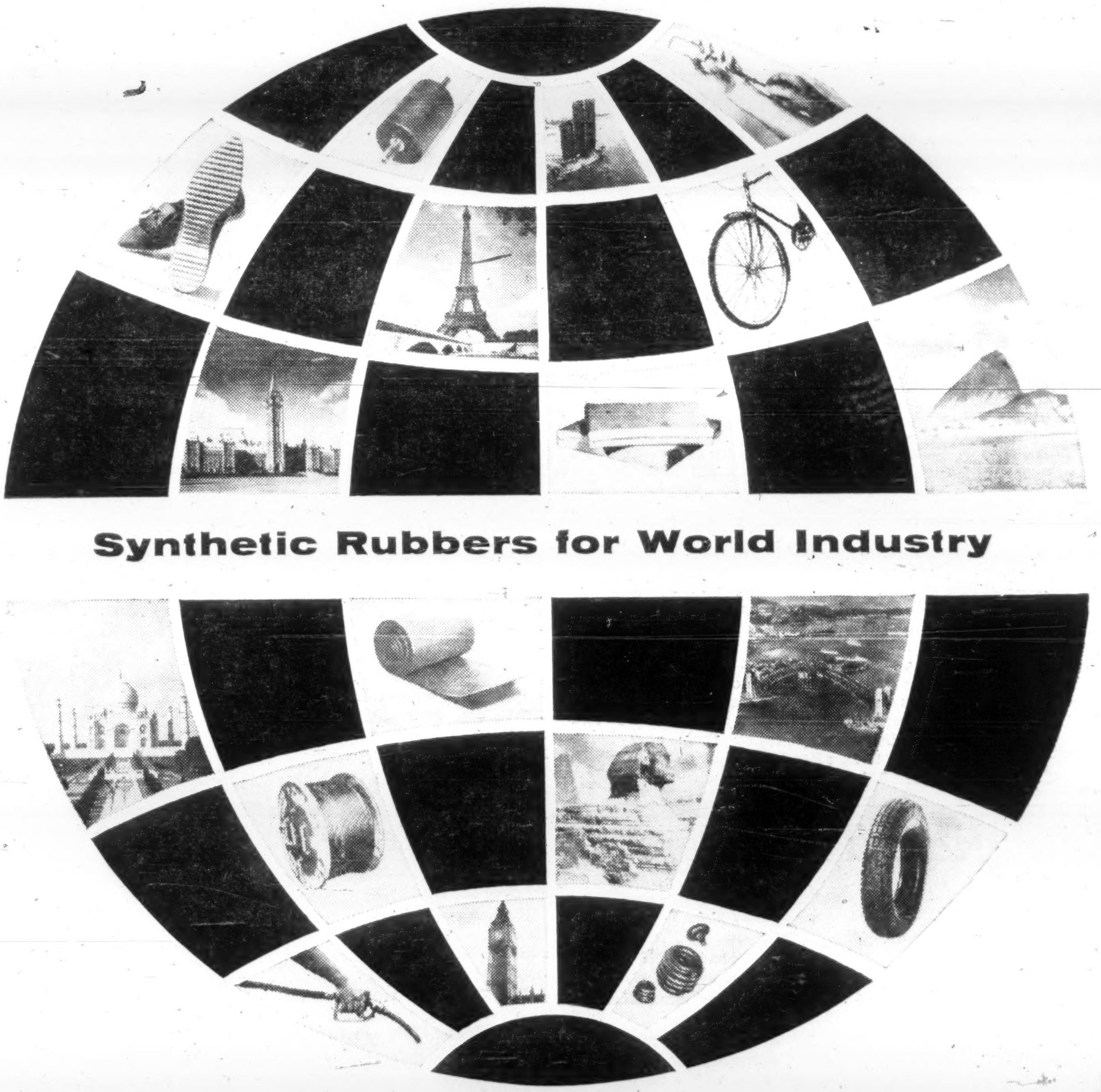
Value of machinery exports other than farm for this period was more than $37 million.

This item included washing machines, dairy machinery, mining machinery, adding machines, typewriters and other office machines, cranes, derricks, lawn mowers, lathes, drills, metalworking machinery, pumps, power saws, woodworking machinery, textile machinery, pulp and paper mill machinery and so on.

THE CANADIAN farm machinery company, Massey-Ferguson Ltd., had world-wide sales of $440 million in the fiscal year ended October 31.

Some $10 million of cooking and heating apparatus was exported in the 10-month period. Other items worthy of mention include clocks and watches, batteries, radios, transformers, dynamos, motors, spark plugs, telephone and telegraph apparatus and lighting fixtures.

Toys, sporting goods, pens and pencils, footwear, organs and other musical instruments, scientific apparatus, guns, are among many other exports.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Improved Locking Techniques Will Speed Up Seaway Traffic

World shippers are studying 1960 St. Lawrence Seaway navigation prospects in the light of 1959 experiences.

Traffic was below expectations in 1959 in the 180-mi., $600 million link in the 2,400 mi. navigation system from the Atlantic Ocean to the head of the Great Lakes, Fort William in Canada and Duluth in the U.S.

Some of the reasons:

- **A delayed opening.**
- **Lower Canadian wheat shipments.**
- **Disappearance of ore-carrying ships during the U.S. steel strike.**
- **A heavy accident toll.**
- **The Welland Canal bottleneck.**

In most areas of operation, improvement is expected in 1960.

Planning to make the new deep waterway from the sea pay for itself by erasing the first season's shortcomings, Canadian Seaway head Bennett J. Roberts said he had anticipated losses in the first few years, confidently expected traffic to hit 50 million tons a year within a decade.

On the cheerful side:

There appears strong possibility that capacity of the Seaway canals can be increased by more advanced locking techniques.

▸ **Capacity of the Welland Canal,** which bypasses Niagara Falls, will be increased 25% by building tie-up walls.

Some 6,000 ft. of tie-up space is being added during the winter shutdown. Work expected to be completed by April will cost $7.5 million.

Under operating regulations in effect in 1959 certain equipment to assist in passage of vessels through the locks was recommended.

Some changes in regulations are being drafted to be effective with the opening of navigation in 1960.

The shipping trade will be given advance notice of such regulations.

When the St. Lawrence Seaway opened in late April, 1959, replacing an ancient canal system that bypassed treacherous stretches of a turbulent river, it was a dream come true.

It was the end of a struggle to carve a navigable passage for large ships linking the Atlantic ocean and the European trade routes with the inland cities of the new world.

Traffic statistics show 20.1 million tons of cargo moved through the Seaway in its first season.

This was 21% below the earlier estimate but 71% over the 11.8 million tons carried by the old St. Lawrence canals in 1958.

Upward movement increased by 6.1 million tons or 13% and downward traffic by 2.2 million tons or 31%.

Bulk cargo accounted for 91% of the total movement.

Shipments through the Welland canal totaled 26.9 million tons, up 27% over 1958. Upbound movements rose 92%, downbound 6%.

The Canadian Tolls Committee, which had estimated 1959 traffic at 25 million tons, forecast volume of 50 million tons by 1968.

Earlier the Canadian government had forecast movement of 44.5 million tons yearly within five seasons.

Of this, 18 million tons would move downriver between the Great Lakes and Montreal and would include 10 million tons of grain and grain products, three million tons of soft coal and 1.5 million tons of iron and steel.

Upriver tonnage within five years would be 26.5 million tons, including 20 million tons of iron ore the government said.

Assurance that the Seaway was to be constructed was a determining factor in the decision to develop the vast iron ore deposits of the Quebec-Ungava region.

Large stockpiling and ore transshipment docks were constructed on the south shore of the St. Lawrence opposite Montreal in anticipation of the Seaway.

Now that area is attracting huge steel plants.

Already **Steel Co. of Canada** has opened a pipe mill. **Dominion Steel & Coal Corp.** in association with **Sogemines Ltd.**, which represents Belgian capital, plans a $75 million fully integrated steel operation and **Quebec South Shore Steel Corp.** has been planning a pig iron-steel operation.

To facilitate grain movement, **Cargill Grain Co.** has built a 12 million-bus. elevator at Baie Comeau, downriver from Montreal on Quebec's rugged North Shore.

This area is expected to attract some of the shipments to Europe which previously flowed through seaports in the Atlantic provinces.

Marine underwriters are studying the accidents on the Seaway. Results of their studies could mean higher insurance rates for 1960.

However as insurance coverage is only a small part of the over-all cost of ship operation, any increase should have little or no effect on Seaway traffic.

Admiral Lyndon Spencer, president of the Lake Carriers Association, blamed 1959's heavy accident rate on foreign ships that had not used the lakes before and didn't know all the rules of the road for inland waters.

One U.S. flag line estimated its damages at $150,000 but said heaviest losses were among foreign flag ships.

"We look for more orderly traffic and tremendous improvement in the accident rate this year," said one underwriter.

"Many of the ships will have proper gear for Seaway navigation which will eliminate much of the propeller and hull damage.

"Improvements, particularly in the Welland Canal area, also will eliminate some of the casualties."

Cunard is building two new freighters with telescopic topmasts, hinged radar masts and removable funnel tops. These ships also will be equipped with warping winches and other gear for travel on the Seaway and the Great Lakes.

The height-reducing fittings will make it easy for the ships to clear obstructions in the winding rivers that form the waterfronts of some lake ports. Although toll revenues in the first season of operation were below estimates, it is too early to say that the toll structure may be revised.

Seaway officials take a long view.

They have 50 years to get enough cargo through the water escalator to earn $1,253 million to cover operation and maintenance costs and pay off debt and interest.

Under U.S. and Canadian legislation, toll revenues must be sufficient to amortize costs over 50 years.

By 1963 Seaway economists will have a good idea of the impact of the toll structure and how it matches their estimates.

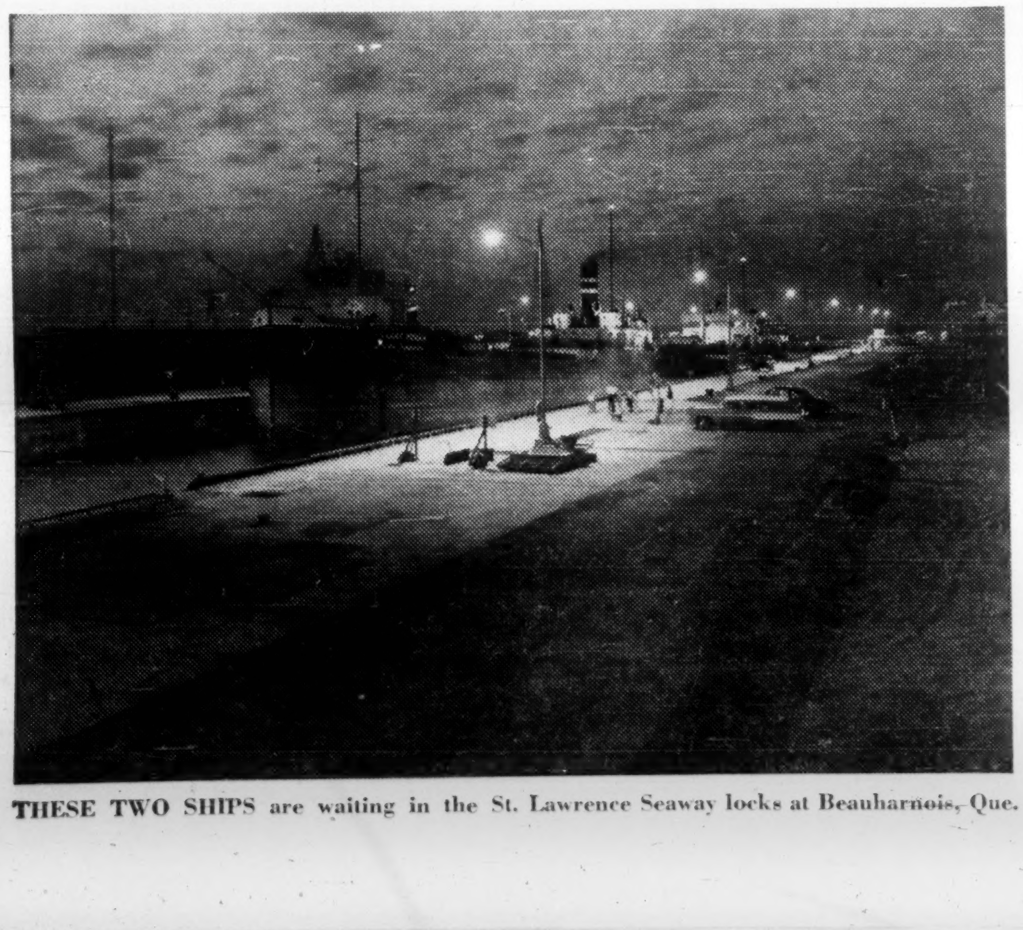
Then, if deemed advisable, they can recommend changes to the Canadian and U.S. governments.

This season's Seaway opening will launch a full navigation season but it won't have the dramatic qualities of the 1959 start when a Canadian icebreaker led a long parade of freighters into the St. Lambert, Que., lock on April 25.

Two months later Queen Elizabeth and President Eisenhower formally dedicated the water route which starts at Montreal.

Seven mammoth locks, two of them in the U.S., bypass a series of rapids in the St. Lawrence between Montreal and Lake Ontario.

The Welland Canal, built 30 years ago but deepened to the Seaway's 27-ft. depth, is considered part of the new waterway which in its broadest sense extends some 2,200 mi. from the Atlantic ocean to the Lakehead, providing a unique avenue for world traders.



THESE TWO SHIPS are waiting in the St. Lawrence Seaway locks at Beauharnois, Que.

CANNED CLOTHES

Non-food products in supermarkets are cornering a larger share of space and merchandising effort.

Among the general merchandise, soft goods are setting a brisk pace.

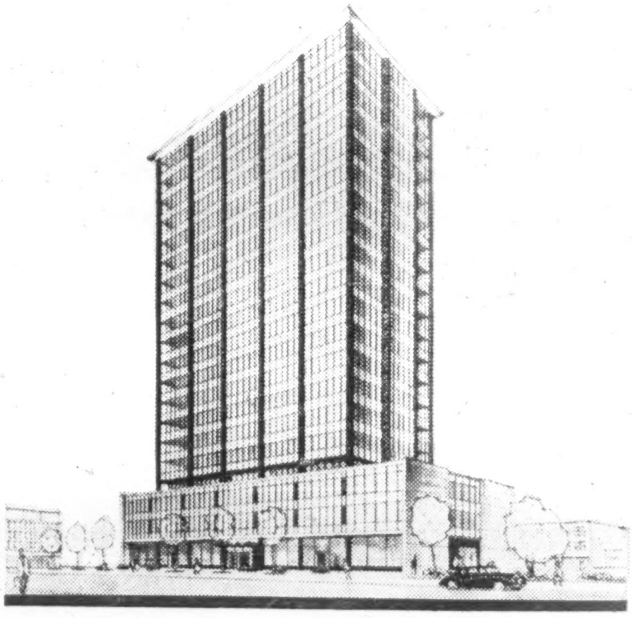
Now, a new twist in packaging these lines:

Dominion Stores is going to test market "canned clothes."

It's a new type package designed by **American Can Co.** to contain a wide variety of apparel articles. It's a rigid cardboard canister 5½ in. high by 3¼ in. diameter.

Sealed, the package carries details of articles on outside, plus illustration.

THE PRAIRIES' FIRST SKYSCRAPER!



An artist's conception of British Pacific Building Limited's 20-story Elveden House—now under construction in Calgary.

Yes, everything is on the way up in Calgary . . . and the 20-story Elveden House — the tallest office building between Toronto and Vancouver — is just an indication of bigger and better things to come. In 1959 construction never looked back . . . with new industries moving in . . . present industries expanding. The reason is obvious. Calgary has abundant low-cost water, power and natural gas — planned industrial sites — excellent transportation facilities — a strong labor force.

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Get up and grow with .

CALGARY

600,000 Workers In Construction

Canada's important construction industry, employing some 600,000 people at peak period and representing 22% of the country's gross national product, got off to a sluggish start in 1959.

It was hampered by a reduction in housing unit starts due mainly to a shortage of mortgage money for homes financed under the National Housing Act.

But, despite this, unexpected gains in construction of such things as industrial plants and a generally optimistic economic picture for the country as a whole gave it new impetus in mid-year.

Originally, it was expected to be a decline in total value from the record 1958 total value of construction figure of around $7,300 million.

But when the final figures for 1959 are completed, it is expected that last year will at least equal the 1958 figure and perhaps surpass it slightly to provide another new record.

The story of Canada's construction industry is one of continuous, vigorous growth, paralleling the tremendous growth of the country as a whole since World War II.

There is no end in sight.

In 1960, total value of construction is expected to reach $7,500 million in spite of a further decline in housing unit starts from 1959.

The gains will be made in construction of such things as industrial plants, commercial buildings and institutional buildings.

Estimates of hospital needs and schools alone will make this institutional segment of the construction industry a more and more important part of the total construction picture.

While the housing industry seems momentarily on a plateau or slight decline, this will only be temporary and a vigorous housing program in the years to come is inevitable.

Even predicted 1960 starts of only 125,000 compared to an estimated 140,000 starts in 1959 and the record 164,000 in 1958, is still a most substantial program.

Another factor which could add real impetus to the 1960 construction program would be successful conclusion of present hearings in Ottawa which would allow increased export of gas to the U. S.

This could initiate a very substantial program of pipeline building, in the doldrums in 1959, this coming summer.

It could mean a $500 million development and construction program in the next five years.

The possibility of development on the Peace and Columbia Rivers in British Columbia of major power development in the coming years would provide hundreds of millions of dollars worth of construction work for Canada's contractors.

At the same time, Canada's construction firms are facing the toughest year yet for competition.

Profits have been pared to the bone and, in fact, probably 30% of them lost money last year.

This picture isn't helped by the fact that new firms keep springing up and medium-sized firms which operated on a regional basis are on a nation-wide hunt for contracts.

This situation is not likely to improve immediately because the industry's capacity is still well in excess of the volume of work available.

Partly as a result of this, partly as a result of tremendous achievements such as the St. Lawrence Seaway, major Canadian contractors are now beginning to look for construction work on a world basis.

At present only a few Canadian firms are working abroad in India and other countries but they have built a fine reputation for themselves and now, at least 25 other important firms are looking over the possibilities in countries extending from the British West Indies to Tasmania.

In the 60s, more and more of these firms are going to be operating in a world-wide construction market, a trend that will continue to grow.

In the coming years, too, more and more winter construction work will be carried out in Canada which will give further impetus to the industry.

Canada counts among its construction companies the most experienced in the world in construction under the most adverse conditions of cold and weather.

As an industry, the Canadian construction industry is unequalled anywhere in the world for winter construction experience and techniques, except, possibly, in Russia.

Because of the large part of the construction dollar which goes for labor costs, changes will come quickly in the industry in the years ahead.

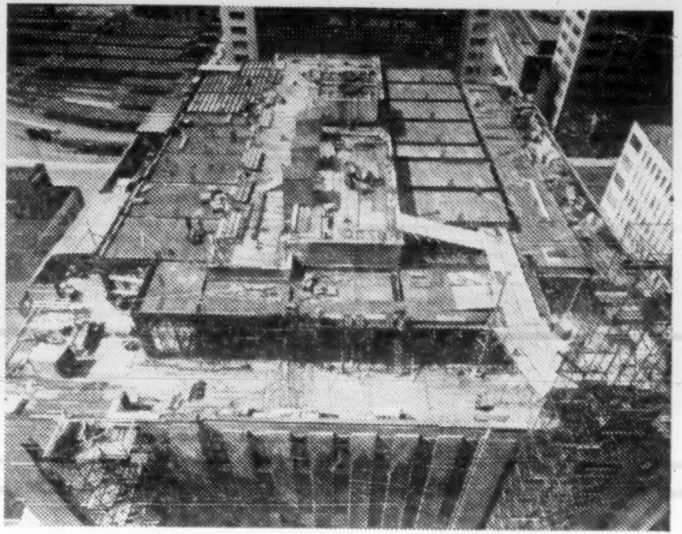
There will be more off-site construction of components in every phase of building, plus increasing use of panels and such products as curtain walls which will reduce on-site labor costs and save time.

Construction machinery will become increasingly efficient, more versatile, able to handle larger tasks.

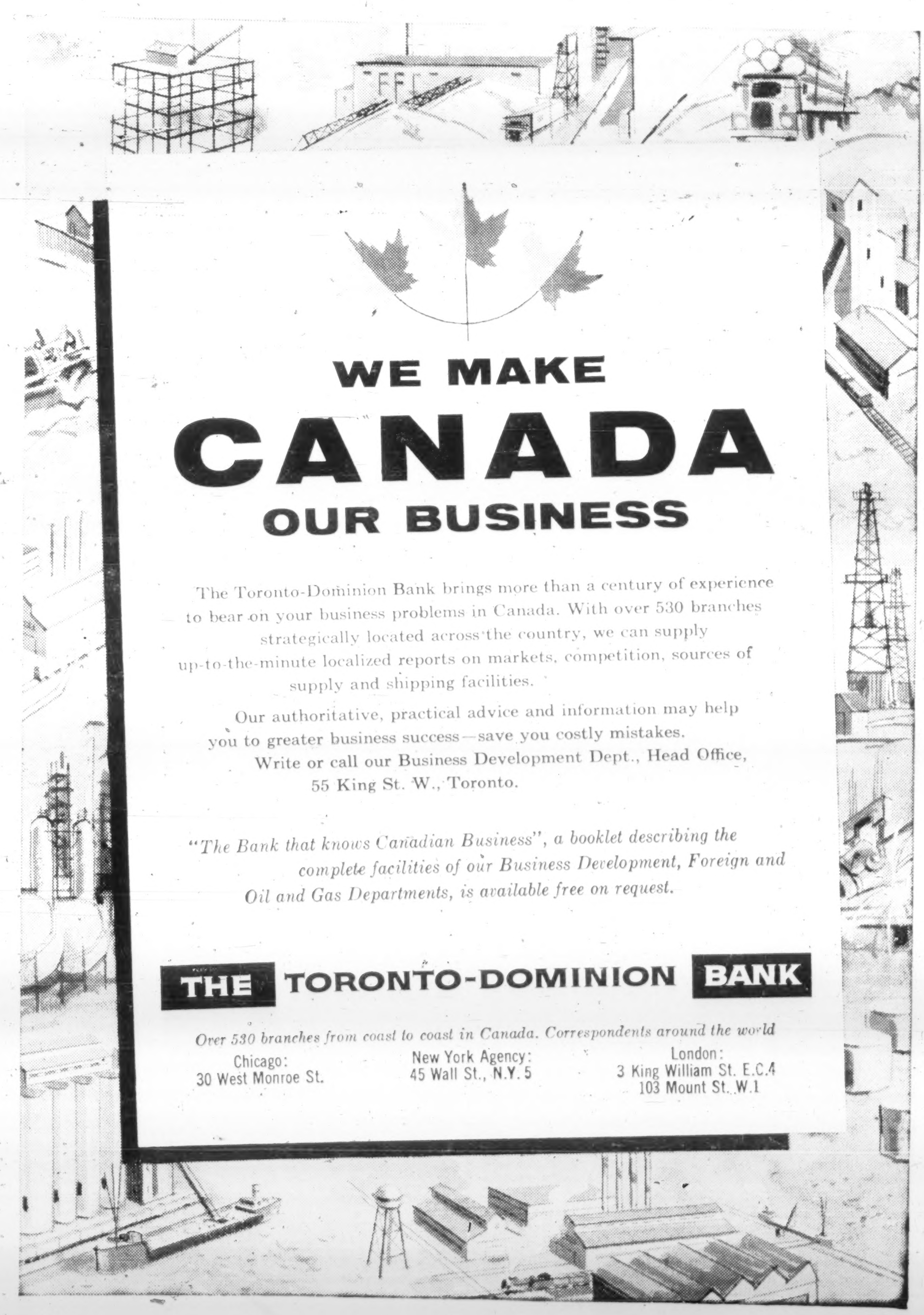
Mechanization in every aspect of the industry will come quickly to reduce labor costs and speed up work.

Increased emphasis will be placed on good business management and merchandising, especially in the field of housing.

Prefabrication of construction components and final on-site assembly will come fastest in the home field.



AERIAL VIEW of Bell Telephone's $3 million extension to its long-distance centre in Montreal.



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You Can Describe Canada By Names

You can tell a lot about Canada—its history its people — from place names.

Many of the most colorful are derived from Indian words.

Saskatchewan is from the Cree word for "swift-flowing" and refers originally to the **Saskatchewan River.**

Timagimi, name of a northern Ontario lake, is the Indian word for "deep water", while Winnipeg is the not-too-complimentary Cree word for "murky water".

Medicine Hat in Alberta derives its name from an old Indian legend about the headdress of a medicine man.

Tadoussac (Que.) means "breasts" and refers to the low rounded hills of the region.

Many places were named by early English and French settlers or explorers for the physical description of the surrounding country.

According to legend, Moose Jaw (Sask.) was so named because the contours of the major river at this point resembled the outline of a moose's jawbone.

Trois Rivières (Que.), situated at the confluence of the St. Maurice and St. Lawrence rivers, was so called because the St. Maurice had three outlets here separated by delta islands.

Vermilion (Alta.) was named for the red clay of the district.

Other names reflect the bounty of the land.

Val d'Or (Que.) was well named for its gold, although there is no valley.

Saskatoon is the name of the local berry.

Vineland is in the fruit district of Ontario.

Uranium City in Saskatchewan speaks for itself.

Great men have been remembered in Canadian place names.

The Ontario town of Tecumseh is named after the Indian chief who aided the British in the War of 1812.

Vancouver is after the West Coast explorer, Kitchener (changed from Berlin during World War I) is after the British war hero, and Durham (Ont.) after a British governor and author of the famous Durham Report which led to the union of the Canadas in 1841, and the introduction of responsible government.

Many mountains bear the names of the great.

In the Rockies there is a Mt. Eisenhower, Mt. Edith Cavell and Mt. Rundle (after the first Protestant missionary in Alberta).

An amusing name—Kicking Horse Pass — was chosen because the first white man known to have crossed the pass was kicked by his own horse in the process.

Some names seem to be derived from whim.

Three townships in Ontario — Tiny, Flos and Tay — are said to have been named after poodle dogs of a local lady of importance.

Nostalgia plays an important role in Canadian place names.

London (and Thames River), Stratford, Windsor, York, Cornwall, Charing Cross and Earlscourt are just a few of the names brought from England by early settlers.

Other parts of the British Isles are remembered in names such as Aberdeen (N.S.), Glasgow (N.B.), Dundee (Que., N.B. and N.S.), Belfast (P.E.I.), Donegal (Sask.), Dublin (Ont.).

And there are names from other homelands — Athens (Ont.), Denmark (N.S.), Hanover (Ont.), Venice (Alta.), and many more.

Quebec names include almost all the saints and other religious inspiration such as La Redemption, L'Annonciation, L'Ascension, La Visitation, L'Immaculée Conception.

Royalty is remembered in Canadian place names.

Regina and Victoria, capitals of Saskatchewan and B.C., are named after the "old Queen".

Prince Albert (Sask.) is after her beloved consort while Prince Edward Island is named for her father — Duke of Kent and one-time military commander in Canada.

Other princely names: Prince George (B.C.), Prince of Wales (N.B.), Prince William (N.B.), Prince Rupert (B.C.).

Loyalty is reflected — although not so obviously — in the name of New Brunswick.

It was here that the United Empire Loyalists came and they called their new home after King George III who was also Duke of Brunswick.

NOSTALGIA PLAYS an important role in Canadian place names. For instance the above scene of British-named Windsor, with Detroit, in the U. S., in the background.

Parishes in this province also show the Loyalists' devotion to England — Dorchester, Wellington, Nelson, Chatham.

Not all of Canada's names can be accounted for.

The most important in this category is "Canada" itself.

Many consider it to be derived from an Indian word meaning "town" or "village". But scholars still disagree on this.

Toronto is another Indian word that has not been translated to the satisfaction of all authorities.

Translations differ widely and include "place of meeting", "trees in water", "lake opening", "between lakes".

Canadian Travellers Are Record Spenders

Canadians are among the world's most adventurous travelers. They are also among the biggest travel spenders.

In 1958, a year of recession, Canadian travel abroad broke all records.

That year, Canadians spent $542 million outside Canada—compared with $525 million in 1957.

In 1959, spending was at least 15% higher than in 1958.

But it is not yet known how Canada's travel deficit for last year will compare with 1958's record of $193 million.

(Travel deficit is the amount by which expenditures of Canadians traveling abroad exceeds the amount spent by foreign visitors in Canada.)

Most popular foreign destination for Canadians is the U. S.

In 1958, 27,421,700 Canadians visited the U.S. (4,486,000 of them spending 48 hr. or more there).

Expenditures amounted to $413 million.

In the first nine months of 1959, spending by Canadians in the U.S. was well up over the same period in 1958, but the rise was not as sharp as that of U.S. visitors' spending in Canada.

Most popular U.S. destination for Canadian travelers is New York — as familiar as any Canadian city to residents of Ontario and Quebec.

Washington is another favorite, and in summer Canadian licence plates are very common in New England.

Seattle and San Francisco are just a hop away from Vancouver.

Canadians are so numerous in Florida during the winter months that a special daily radio program gives them news of home.

Other favorite sun-in-winter spots are Arizona and California.

For skiing, Canadians prefer Colorado, Idaho and New York state.

Overseas, the U.K. is still by far the favorite.

But continental Europe — especially Germany, France, Italy and Benelux—are visited by thousands of Canadians every year.

Scandinavia, Iberia, Austria and Switzerland and "new" areas such as Greece, Yugoslavia and Iron Curtain countries are now very popular.

Canadians visit Europe mostly during the summer months.

But off-season travel (for pleasure as well as business) has increased considerably in the past year or so.

More Canadians are visiting Europe's fine ski resorts.

The Caribbean-Bermuda-Bahamas area attracts more and more Canadians every year — in summer as well as winter.

Hawaii has become exceptionally popular — not only for West Coast Canadians but also for those living as far east as Montreal.

Better and faster transcontinental transportation is partly responsible.

And Canadian travelers are playing a major role in the tremendous growth of travel all over the Pacific.

Mexico, served by direct air link from Vancouver and Toronto, is increasing in popularity for Canadians.

But Canadian travelers are also looking for new and different places. More are visiting Africa, Asia, South America.

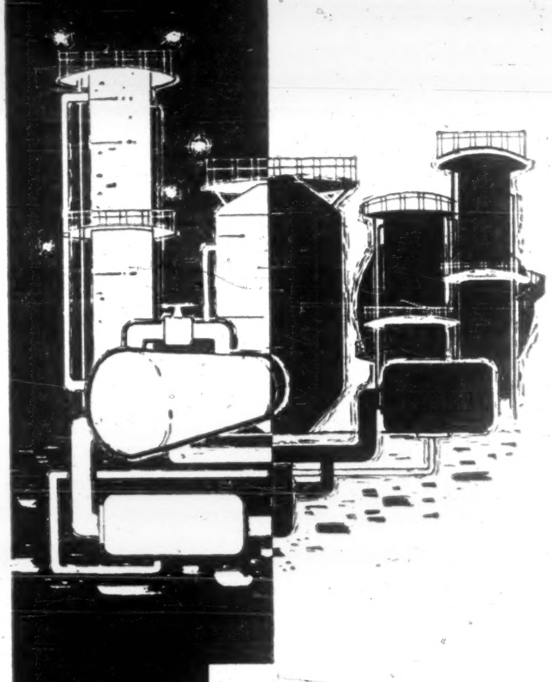
Canadian spending in overseas countries advanced from $122 million in 1957 to $129 million in 1958

Statistics for 1959 are not yet available, but it is certain that there was another big increase.

A change in Canadian customs, introduced in July, 1958, encourages Canadians to spend more in overseas countries.

Under the new regulations, Canadians returning from visits of 14 days or more from countries outside continental North America may take a full year's customs exemption of $300 in one bite.

For the U.S., Mexico, etc., the old regulation of $100 worth every four months still stands.



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Greater Use Made Of Trucks

Trucks are taking a steadily growing share of the freight haulage business in Canada, and recently have been moving more intensively into longer distance transportation of bulk or reasonably heavy commodities.

A survey recently completed by the Dominion Bureau of Statistics showed that in the survey year, 1957, trucks carried 9,600 million net ton-miles of goods — a considerable inroad into the total freight business of the country.

Canada's two major railways, **Canadian National** and **Canadian Pacific**, in that year moved 64,000 million ton-miles of revenue freight.

Even more significant is the fact that the 46,344 "for-hire" trucks — those owned by private operators and available for transportation needs of any business — carried 4,600 million ton-miles of freight, equal to 7.2% of the volume of the major railway systems.

There were in all 832,055 licensed trucks, compared with 544,943 in 1949. Half of them were light delivery models.

The number has been growing at an average rate of about 5% per year.

One-half of all licensed trucks are in the two more highly industrialized provinces, Ontario and Quebec.

A large part of Canadian truck transport, in fact, is centred around the larger cities and in the compact industrial region from Toronto to Niagara Falls in Ontario, and in the St. Lawrence lowlands surrounding Montreal, in Quebec.

Greater use of trucks for bulk or other heavy commodities is illustrated by statistics showing that a third of the "for hire" trucks had a gross vehicle rating of more than 15 tons.

Their average load was 8.2 tons, and average performance for the year was 100,700 ton-miles per truck.

High mechanization of Canada's farms is indicated by a total of more than 300,000 motor trucks in use, a figure only slightly less than the total number of automobiles used by farmers. Half of these farm trucks are in the three Prairie Provinces, Manitoba, Saskatchewan and Alberta, where agriculture is of prime importance and distances between major towns can be long.

New Uplift For Skiers

Ontario skiers are getting more and better uphill facilities close to home.

Canada's newest chairlift recently went into operation at Blue Mountain resorts near Collingwood, Ont.

With 80 double chairs moving 1,000 skiers an hour, the new $100,000 lift promises new prosperity for the area.

Since World War II, the Collingwood hills have become one of eastern Canada's top winter sports areas, and it is a favorite rendezvous of thousands of Toronto-and-vicinity skiers.

Earlier in the season Ontario's first chairlift went into operation at Mount Baldy, near Port Arthur.

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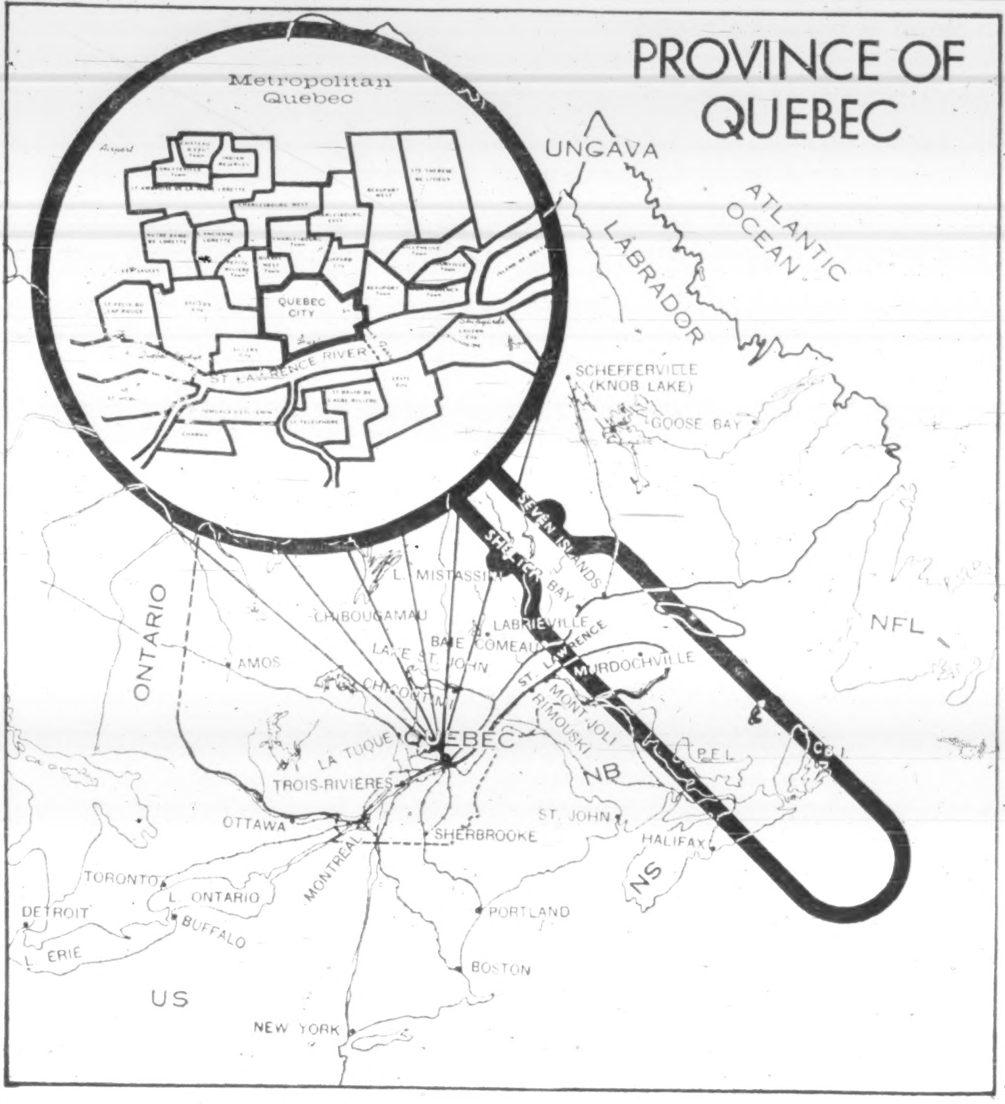
metropolitan QUEBEC


PROVINCE OF QUEBEC
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ST. LAWRENCE RIVER
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LABRADOR
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GOOSE BAY
SEVEN ISLANDS
SHELTER BAY
L. MISTASSINI
CHIBOUGAMAU
LABRIEVILLE
BAIE COMEAU
ST. LAWRENCE
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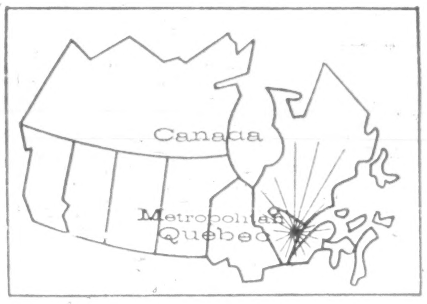
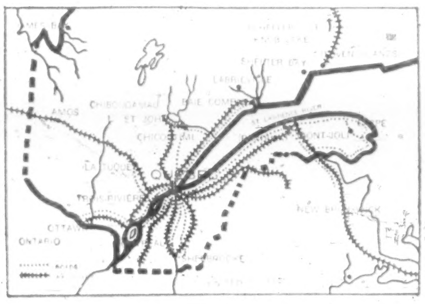
GATEWAY TO THE ST. LAWRENCE SEAWAY


Canada
Metropolitan Quebec

COMMERCIAL INFLUENCE

With a population of 450,000 within a radius of 25 miles, Metropolitan Quebec, seventh largest Metropolitan area of Canada, is the distribution centre for a territory doing $795,000,000 in retail sales. Its economic influence extends over a territory inhabited by 1,500,000 people.


AMOS
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CHICOUTIMI
LA TUQUE
QUEBEC
TROIS-RIVIERES
OTTAWA
ONTARIO
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MONT-JOLI
GASPE
NEW BRUNSWICK
ST. LAWRENCE RIVER

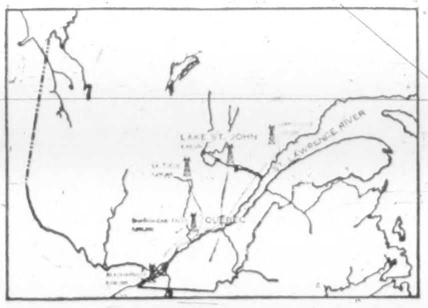
HUB OF TRANSPORTATION FACILITIES AND WINTER NAVIGATION

Metropolitan Quebec is a terminal point for both the Canadian National Railways and the Canadian Pacific Railway.

Modern Highways fan out to Montreal, the Eastern Townships, the U.S.A., Gaspe, the North Shore, and Lake St. John.

Quebec harbour is the first major harbour on the way up the St. Lawrence River. At the meeting point between ocean and river navigation, Quebec's deep water harbour is accessible the year round.

Quebec is linked by Trans-Canada Air Lines with other major cities in North America and the rest of the world, while towns in Northern Quebec and the South Shore are served by Quebecair, T.C.A. and Nordair.


LAKE ST. JOHN
ST. LAWRENCE RIVER
QUEBEC

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Strategically located in the centre of one of the world's largest concentrations of hydroelectric power, Metropolitan Quebec is in a unique position to supply ample electrical power at low cost. Continuity of supply is insured by the existing 9,000,000 HP-capacity generating stations, the 2,200,000 HP under construction and 4,500,000 HP in the planning stage.

STABLE MANPOWER

Traditionally faithful to their birth place, Quebecers constitute a stable manpower. A great proportion of them come from rural families. They are known as loyal, versatile and industrious employees. Their number is increased from year to year as groups of specialists trained in various technical, art and trade schools join their ranks.

FOR INFORMATION WRITE OR WIRE:

ARMAND VIAU, M.Com., General Manager

INDUSTRIAL AND TRADE BUREAU OF GREATER QUEBEC INC.

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Most Canadians Buy Insurance

Nowhere are people more insurance-minded than in Canada.

The rapid increase in population—28% since 1950—has been more than matched by the rise in insurance sales:

Total life insurance in force has jumped 159% in the past nine years and now exceeds $42,000 million.

Fire and casualty insurance premiums written in 1959 at an estimated $820 million are 165% higher than those written in 1950.

Can this rate of growth be maintained?

Insurance industry officials say yes.

They predict, for example, that by 1980 life insurance in force will have risen close to the $100,000-million mark.

Canadians buy their insurance in a highly competitive, international market-place, served not only by Canadian companies but also by an increasing number of U. K., U. S., Netherlands and other foreign firms.

In 1959, close to 100 life insurance companies were active in Canada. About 40 of these were non-Canadian.

The fire and casualty insurance field is served by approximately 400 firms of which roughly one quarter are domestically owned.

LIFE INSURANCE:

New life insurance protection purchased by Canadians in 1959 reached the highest level yet recorded.

Life policies brought into force during the year had an estimated face value of $6,000 million. This compares with a 1958 total of $5,500 million, and $1,900 million in 1950.

Total insurance in force rose by nearly 9% to $42,000 million.

The ratio of this protection to national income at the end of last year was 156%—higher than in any other country in the world.

By comparison, insurance in force in the U. S. is equal to about 130% of annual national income. In the U. K. it's the equivalent of 60%.

In 1950, insurance and income in Canada were about equal.

Since then, the face value of policies in force has risen 159% on a population increment of only 28% and a gain in national income of 88%.

This rapid growth in total policy value stems not so much from a rise in the number of Canadians owning life insurance as from an increase in the average holdings of each policyholder.

At the end of 1959, the average amount of life insurance owned per policyholder had risen to $5,000, over four times the 1925 figure and well above the 1955 average of $4,100.

Over eight million Canadians are policyholders, representing life insurance protection for three out of every four families.

Benefit payments during 1959 amounted to nearly $500 million, $25 million more than in 1958, and almost double those paid in 1950.

Benefits to living policyholders rose to $315 million and continue to account for nearly two thirds of all policy payments.

Payments to the beneficiaries of deceased policyholders came to $180 million.

In addition, life insurance companies paid out $100 million in benefits under accident and sickness policies.

In 1959, government-sponsored hospital insurance plans were put into effect in five more Canadian provinces, raising the total number to nine.

Many private health insurers predicted a sharp decline in 1959 premium income written on accident and sickness account as a result of the governments' occupancy of the basic hospital insurance field.

However, an increasing number of companies report that they were able to maintain or better the volume of their health insurance business through the sale of policies for hospital benefits supplemental to those provided under the government plans.

Premium income from life insurance and annuity business in Canada during 1959 came to an estimated $920 million, a gain of 9% over the previous year.

New funds invested for the future benefits of policyholders reached about $475 million.

The Canadian assets of life insurance companies operating in Canada amounted to some $7,500 million at the end of 1959, compared with $4,000 million in 1950.

Of this, $2,100 million was invested in the securities of private industry, $3,100 million had been channeled into mortgages and real estate, and over $1,700 million into government and municipal bonds.

Life insurance savings, accounting for one dollar out of every four saved by the Canadian people, have financed over 40% of the country's outstanding corporate bonds.

Life insurance is also an important Canadian export.

More than 1.5 million people in 50 different countries own policies in some 13 Canadian companies. At the end of 1959, insurance in force amounted to $11,250 million, an increase over the previous year of almost 10%.

Of this foreign business, about 70% is on lives in the U. S. and 16% on policyholders in the U. K.

GENERAL INSURANCE:

Preliminary results in the fire, auto and casualty insurance field would seem to indicate that the marked improvement in underwriting experience shown at the end of 1958 has been carried over into 1959.

In 1957, the worst year on record, general insurance companies had a $69-million loss on their underwriting account.

This was over twice as great as the $29-million loss which occurred in 1956 and contrasts with underwriting gains of $25 million in 1954 and $10 million in 1955.

A number of factors contributed to this downhill trend—unrealistic rates resulting from intense competition; greatly extended coverage in fire insurance policies; higher repair bills for damaged automobiles; the growing number of large and expensive fires; and many others.

Results for 1959 are not available yet, but the showing in 1958 indicates that the trend has been reversed.

An increase in premium rates in 1958, plus a substantial reduction in fire losses, helped reduce the underwriting loss to about $7.5 million.

Fire insurance claims took only 56c of each premium dollar earned by the companies against 74c in 1957.

Auto insurance claims backed down from 1957's high of 70% of the premium dollar to 62% in 1958.

Casualty insurance claims, excluding fire and auto, were down to 66% of premiums earned from 1957's 72%.

No significant increases were made in auto insurance rates in 1959, and none have been scheduled for 1960.

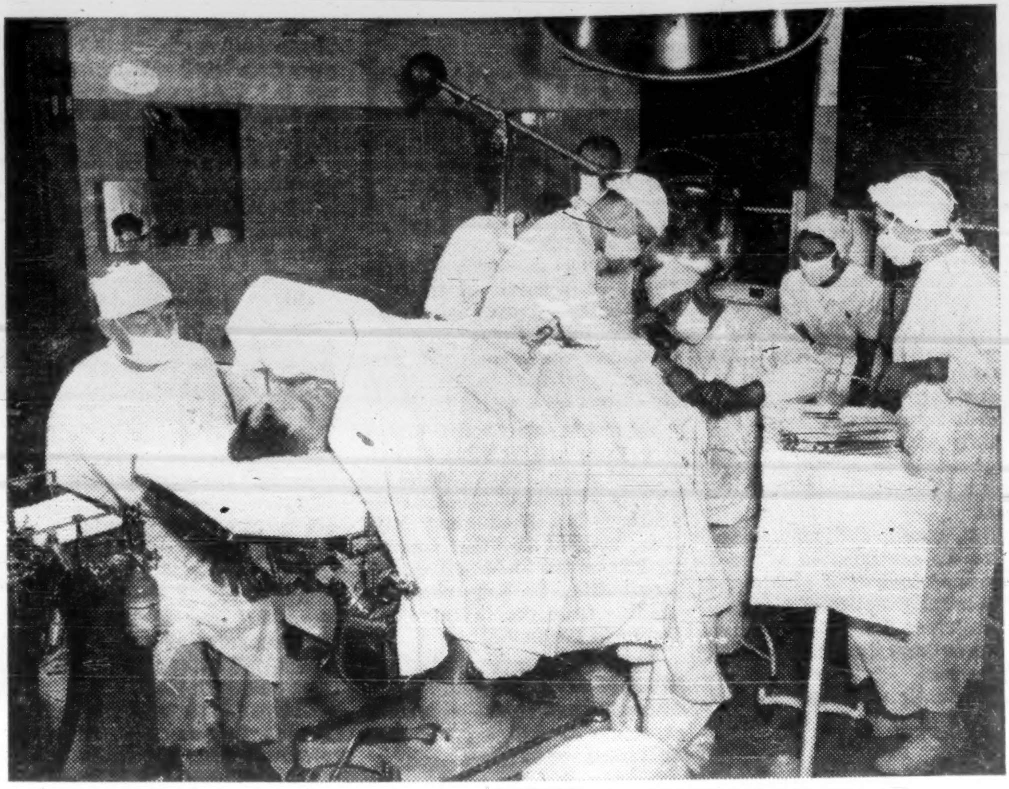
This year, most auto insurers are offering premium discounts of up to 20% to motorists with a five-year-accident-free record, whose cars average less than 10,000 miles a year, and are not used for business or driving to work.

Insurance companies are also considering initiating discounts for the smaller car models which have proved to be less costly to repair.

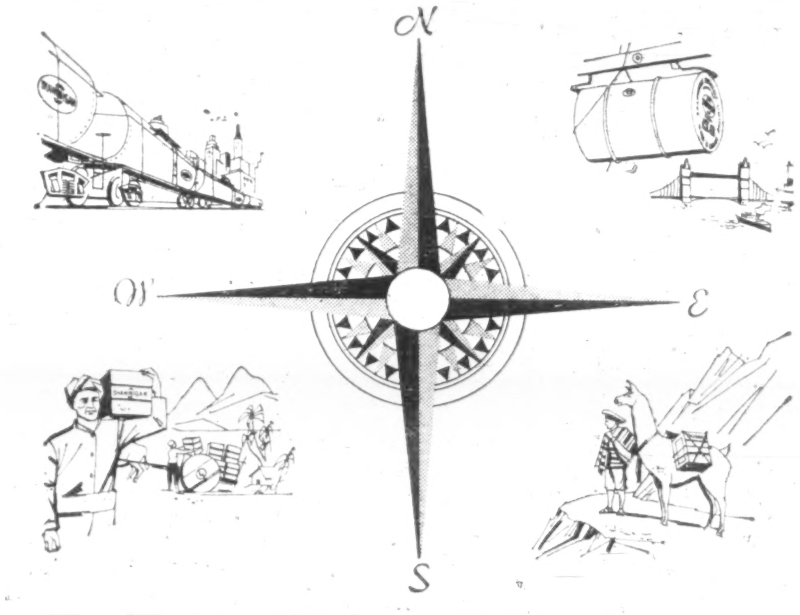
In 1959, premium rates for straight fire policies were raised from 10% to 20%, depending on the degree of fire protection provided in the area. No major increases are contemplated for the current year.

The elimination from fire policies written last year of many of the "caretaking" clauses dealing with the escape of water and wind and hail damage, which had resulted in a multitude of small claims in previous years, is believed to have lowered loss figures for 1959.

The application of a $50 deductible clause to many items in the new fire policies and renewals is also thought to have improved last year's underwriting results for the fire insurers.



THERE HAS been a marked improvement in underwriting in casualty, auto, fire insurance.



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Australia: S. V. Allen, Commercial Counsellor for Canada; H. S. Hay, Assistant Commercial Secretary; 7th Floor, Berger House, 82 Elizabeth Street, Sydney; T. G. Major, Commercial Counsellor for Canada; 83 William Street, Melbourne.

Austria: R. K. Thomson, Commercial Counsellor; P. A. Freyseng, Assistant Commercial Secretary; Opernringhof, Opernring 1, Vienna 1.

Belgian Congo: K. Nyenhuis, Canadian Government Trade Commissioner; R. A. Bull, Assistant Trade Commissioner; Forescom Building, Leopoldville 1.

Belgium: L. H. Ausman, Commercial Counsellor; P. T. Eastham, Assistant Commercial Secretary; Canadian Embassy, 35 rue de la Science, Brussels 4.

Brazil: Wm. Jones, Commercial Secretary; C. M. Kerr, Assistant Commercial Secretary; Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, Rio de Janeiro. D. M. Holton, Consul and Trade Commissioner; R. C. Anderson, Vice Consul and Assistant Trade Commissioner; Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, Sao Paulo.

Ceylon: I. V. Macdonald, Commercial Secretary; Office of the High Commisisoner for Canada, 6 Gregory's Road, Cinnamon Gardens, Colombo.

Chile: H. M. Maddick, Commercial Secretary, Canadian Embassy, Av. General Bulnes, 129, Santiago.

Colombia: J. H. Bailey, Commercial Secretary; N. L. Currie, Assistant Commercial Secretary; Canadian Embassy, Edificio Banco de Los Andes, Carrera 10, No. 16-92, Bogota.

Cuba: R. R. Parlour, Commercial Secretary, Canadian Embassy, Edificio Ambar Motors, Avenida Menocal, 16, Havana.

Denmark: C. F. Wilson, Commercial Counsellor, Canadian Embassy, Prinsesse Maries Allé 2, Copenhagen V.

Dominican Republic: W. B. McCullough, Commercial Counsellor; J. M. Knowles, Assistant Commercial Secretary; Canadian Embassy, Edificio Copello 408, Calle El Conde, Ciudad Trujillo.

France: R. Campbell Smith, Commercial Counsellor; W. G. Brett, Assistant Secretary; C. T. Charland, Assistant Commercial Secretary; Canadian Embassy, 35 Avenue Montaigne, Paris 8e.

Germany: J. A. Stiles, Commercial Counsellor; G. F. Mintenko, Assistant Commercial Secretary; W. J. O'Connor, Assistant Commercial Secretary (Agriculture); Canadian Embassy, 22 Zitelmannstrasse, Bonn; E. H. Maguire, Consul; J. M. T. Thomas, Vice Consul; Canadian Consulate, 69 Ferdinandstrasse, Hamburg.

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Guatemala: H. W. Richardson, Canadian Government Trade Commissioner; R. M. Dawson, Assistant Trade Commissioner; 5 Avenida 10-68, Zone I, Guatemala City.

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Ireland: W. R. Van, Commercial Secretary for Canada, 66 Upper O'Connell St., Dublin.

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Mexico: F. B. Clark, Commercial Secretary; A. A. Lomas, Assistant Commercial Secretary; W. M. Miner, Assistant Commercial Secretary; Canadian Embassy, Melchor Ocampo 463, 7th Floor, Mexico 5, D.F.

Netherlands: J. C. Britton, Commercial Counsellor; W. R. Hickman, Commercial Secretary; B. Horth, Assistant Commercial Secretary; Canadian Embassy, Sophialaan 5-7, The Hague.

New Zealand: J. H. Stone, Commercial Secretary; Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington.

Norway: M. B. Bursey, Commercial Counsellor; Canadian Embassy, Fridtjof Nansens Plass 5, Oslo.

Pakistan: L. A. Campeau, Commercial Secretary; J. B. McLaren, Assistant Commercial Secretary; Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi.

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Singapore: M. P. Carson, Canadian Government Trade Commissioner; B. C. Steers, Assistant Trade Commissioner; Rooms 4, 5 and 6, American International Building, Robinson Road and Telegraph St., Singapore.

South Africa: C. R. Gallow, Canadian Government Trade Commissioner; L. J. Taylor, Assistant Trade Commissioner; Mutual Building, Harrison Street, Johannesburg.

South Africa: M. R. M. Dale, Canadian Government Trade Commissioner; 602 Norwich House, The Foreshore, Cape Town.

Spain: M. T. Stewart, Commercial Counsellor; Canadian Embassy, Edificio Espana, Avenida de Jose Antonio 88, Madrid.

Sweden: A. P. Bissonnet, Commercial Counsellor; Canadian Embassy, Strandvagen, 7-C, Stockholm.

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CITY OF SASKATOON

SASKATCHEWAN, CANADA

Highways

City Problem

Road and street construction this year should be close to the 1959 level in Canada.

For the fiscal year finishing at the end of March, 1960, total expenditure has been estimated at around $1,157 million.

Provincial governments are accounting for over 60% of this total, municipal governments around 26% and federal government the remainder.

This work [illegible] around $66 per capita [illegible] Canadians compared [illegible] around $63 the year before.

Retrenchment by governments and tight money will eliminate all but most essential expenditures and it appears that highway expenditures are headed for a period of readjustment.

The rate of increase in these expenditures is well below the record-breaking years since World War II.

Road experts attribute this leveling-off in the rate of increase to completion of large capital expenditure on toll facilities and to a leveling off in expenditure on intercity highways, which have been undergoing visible improvement during the past few years.

But while volume of highway construction will not increase at the rate established in the postwar years, road programs will still reach a high level of activity.

Highway experts predict that, while frills will go, highway budgets, for this year at least, will enable the provinces to continue with existing long-range plans for road and street development.

Local governments still have to bear the hardest pressure.

Intercity highways are keeping up well with the increase in motor vehicle registrations but increasing urban traffic makes it increasingly difficult for municipal governments.

These are some of the highlights in the roads picture in Canada:

The peaks and valleys of construction budgets which prevailed 10 years ago have been eliminated by long-term planning on the part of most governments.

When the Trans-Canada Highway agreements between the federal and provincial governments end at the end of this year, there will only be two unfinished gaps in surfacing this highway.

One is an 87-mi. gap in British Columbia and the other is the Agawa to Marathon stretch north of Lake Superior in the province of Ontario.

The latter may be finished during the next construction season if all factors are favorable.

Foresight on the part of Canada's various governments and industry minimized the effect of the U. S. steel strike.

Steel work on bridges was most affected and work on several bridges in Manitoba and Nova Scotia was held up.

In British Columbia, much time was lost because of strikes and forest closures so that total volume of road construction completed didn't reflect the yearly increases evident in the industry since 1951-52. It's not expected that the 1960-61 budget there will be less than last year's $74.2 million.

Manitoba had planned the largest roads budget in its history for 1959-60 but adverse weather in spring and fall were responsible for many miles of uncompleted highway which under normal conditions would have been finished.

The volume of highway work completed in the key province of Ontario for 1959-60 will be around $273 million.

In the current fiscal year, contracts call for nearly 700 mi. of grading, culverts and granular base, 529 mi. of hot mix paving, 24 mi. of concrete paving and 95 structures.

Carryover from the previous fiscal year at April 1, 1959, was $76 million and carryover in the current year will be only slightly lower.

Construction work was not seriously affected by steel shortage but the full effect of these shortages may not be known until the forthcoming construction year.

In another major road-spending province, Quebec, normal highway construction volume in the current year will match the large expenditures of previous years.

Construction programs here will be concentrated on improving existing services and in bringing intercity highways up to standard.

While future federal government road spending is obscure at the moment, in the current year expenditure by the federal government is estimated at around $136.3 million against $109.6 million in the previous year, a 19.6% increase.

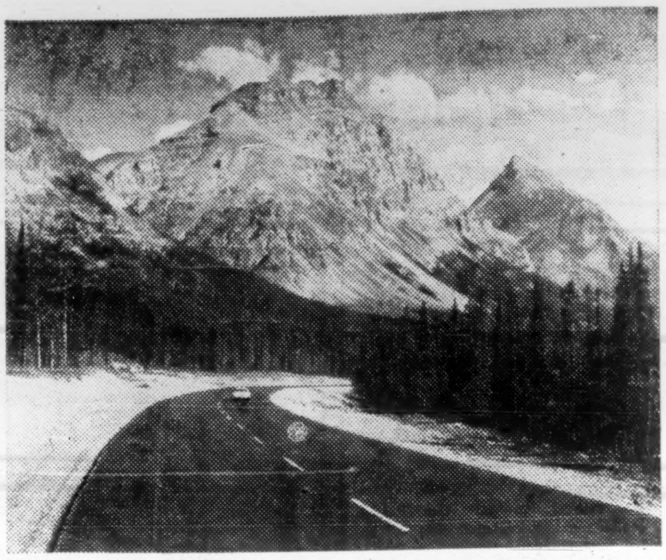
It's estimated that Canadian municipalities in the present fiscal year will spend $298 million compared to $274 million in the previous fiscal year.

Local governments will have the hardest time in a tight money period and the current difficulty in financing capital projects on the money markets will certainly be felt in municipal roadbuilding.

But major municipalities have shown no sign of cutting back on long-range programs to date.

All interested parties are urging all governments to formulate a national roads policy for Canada which would help provide an elastic, over-all roads plan for the whole country.

If and when adopted, such a plan could lead to real economies.



ROAD AND STREET construction spending throughout Canada should reach 1959 levels.

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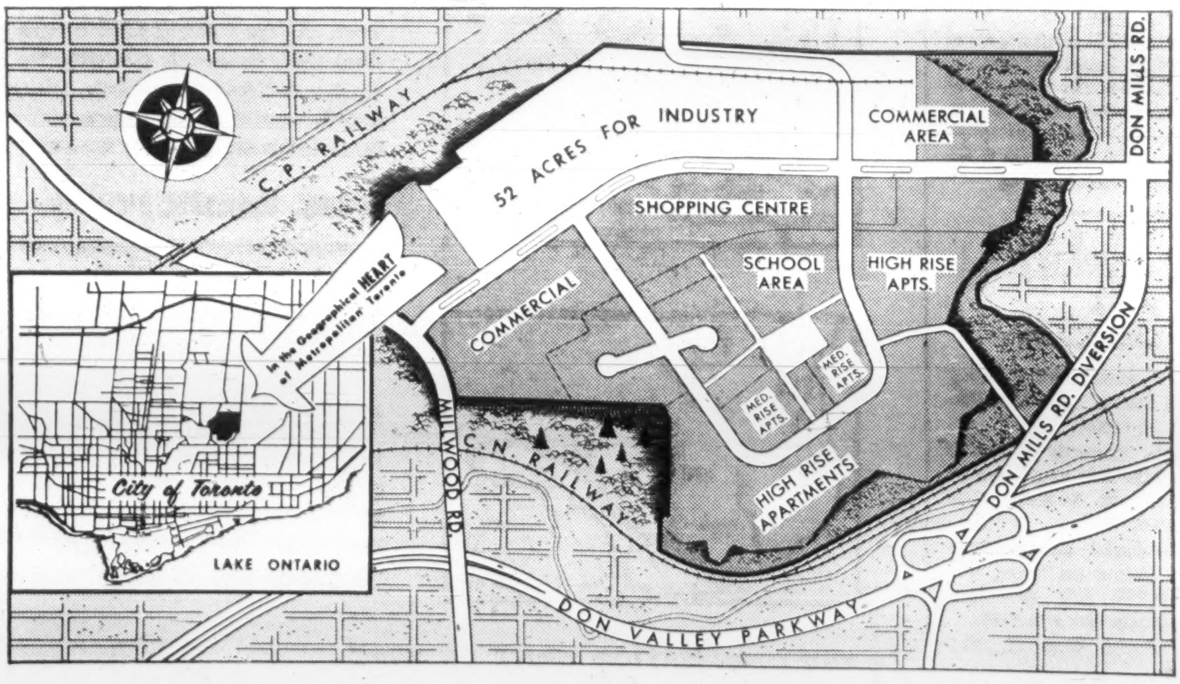

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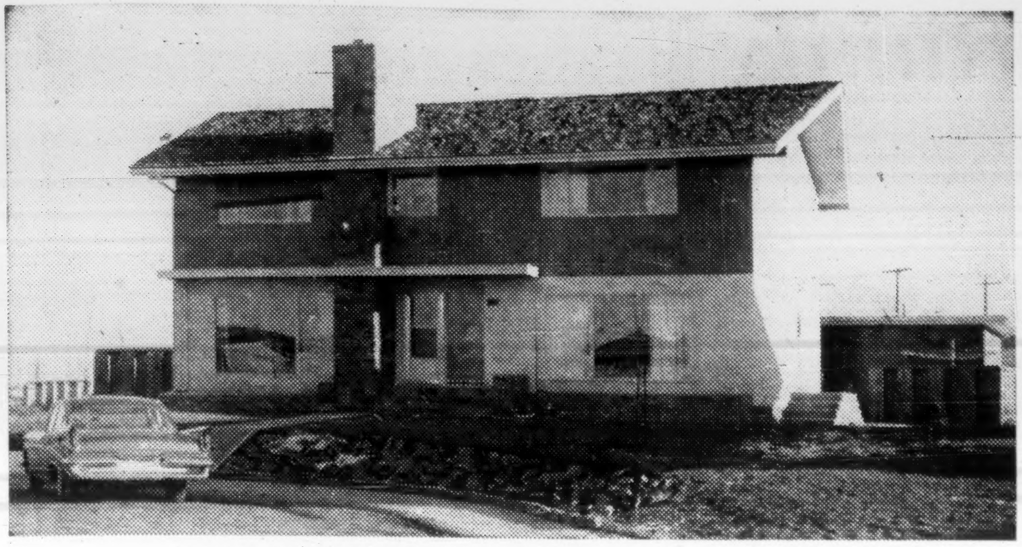

ABOUT 140,000 homes were built in Canada during 1959.

140,000 Houses

After a record year in 1958 in which starts totaled 164,000, Canada's house builders went into 1959 optimistically expecting a repetition of the previous year or something very close to it.

But high interest rates and the attraction of many other investments drew off much of the money normally available from banks, insurance and trust companies for financing of homes under the National Housing Act.

The result was a drop for 1959 in housing starts to around 140,000 — still a substantial program by any standards.

At the same time, completions for the year were just about equal to the 1958 figure of around 146,000.

Another flurry of direct National Housing Act loans by the federal government in the latter part of the year, although on a lesser scale than 1958, filled some of the gap created by the lack of funds available from approved lenders such as banks, trust and insurance companies.

Out of the 140,000 starts last year, about 80,000 were financed by conventional mortgages as compared to the 60,000 financed under NHA.

Interest rates on conventional mortgages in 1959 rose as high as 8% with 7¼% to 7½% average.

There was no lack of mortgage money for conventional lending at these attractive rates.

With the NHA rate only 6% and government bonds available at around the same rate but more attractive because they required less handling, builders raised a hue and cry for the NHA interest rate to be freed to find its own level in the market.

What the government has done is to raise the NHA interest rate to 6¾%. This will undoubtedly make NHA mortgages much more attractive as an investment to normal NHA sources of money.

Insurance companies, for example, substantial lenders of NHA funds, will probably at least equal the total in NHA money they supplied last year, with the possibility of a rise over last year.

But the effect of raising the rate to 6¾% cut off the banks, the most substantial NHA lenders, because the Bank Act limits interest rates on loans by banks to 6%.

At the same time, the banks apparently already have their hands full handling customer loans and wouldn't want to jump into the NHA market on a huge scale.

This leaves the federal government as the big question mark in 1960.

Recently, a bill asking for substantial funds to be made available again for housing, as in the past, came before the federal parliament.

But there was no indication to suggest how much of this money might be available in direct loans to builders for NHA mortgages this year.

Right now, some 125,000 starts are predicted for 1960, substantially below the record 1958 level, but still a big housing program.

It seems likely that the federal government won't let housing unit starts fall below this figure, stepping into the gap, as they did last year, with direct loans to keep it at the 125,000 level.

Housing

Canada's
New Residential Building

	Completions	Capital exp. $ mills.
1957	117,283	1.430
1958	146,686	1.781
1959 (est.)	145,000	1.728

But again, as last year, the loans probably won't come until well along in the year.

There has been some feeling that the housing market is saturated at the moment.

This is a major reason why the plans of insurance companies in NHA lending are not yet clear.

Some of them are watching sales for any signs of real weakness.

But the fact is that while there have been soft spots in the sales picture this year and the key area of Metro Toronto definitely showed a soft market at year-end, sales are holding up extremely well.

At year-end, completed, unoccupied dwellings were higher than last year for an equal number of housing units completed.

At best, however, unoccupied units now represent only slightly over a two weeks' supply or just about normal.

While Toronto had perhaps a month's supply compared to a normal two weeks supply at year-end, there was no real cause for alarm.

But one of the things which is becoming most obvious and which has made sales slower than in other years is the simple fact that home buyers have become very critical in their buying habits and look around much more before settling on a house.

A few years ago, houses were sold before the foundations were in the ground around a major centre like Metro Toronto.

Builders simply didn't worry too much about selling homes.

Today the picture is different and Canada's house builders are being forced to take a hard look at themselves and their industry.

Facing an increasingly competitive market, they are going to have to give more attention to defining the home buyers' wants.

They will have to devote more time and staff to merchandising their products just as any other business man has to merchandise.

The tightness of NHA money available will force out many marginal builders who were only after a fast dollar anyway and this will be to the good of the industry.

Good builders will aim at quality and merchandising and extras which will help sell their homes.

Preinstallation of appliances, bought in volume by the builder, is going to grow.

At the moment, individualistic Canadians aren't too receptive to a home already equipped with refrigerators and ovens and other appliances.

For the builder, it only represents a temptation.

But a trend to installation of more and more appliances is inevitable.

Builders, too, will be taking a very close look at their costs and better business management methods in order to stay in business.

In Canada, what is known as the split-level home, with three and four levels, is becoming increasingly popular, with a trend now toward only two levels.

The once-popular story-and-a-half seems to be on the decline while two-story homes, which faded in popularity for a few years, show evidence of coming back.

A major trend is going to develop in the industry in the next few years.

This will be off-site prefabrication and final on-site assembly.

Walls will be prefabricated.

Bathrooms and kitchens, will be installed as complete prefabricated units.

Flooring, instead of being laid board by board, may be laid in 4-ftx8-ft. units.

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ST. THOMAS SIMCOE CHATHAM KITCHENER LEAMINGTON WINDSOR

Ship Orders Drop; Industry Suffers

From the Atlantic to the Pacific coast, Canada's once bustling shipbuilding industry has fallen on hard times.

Demise of the nation's ocean going merchant marine and glut in the world shipping market, coupled with the end of Canada's current naval shipbuilding program have all contributed to the industry's difficulties.

At the start of 1960, only about 8,500 were employed in the nation's 14 shipyards. This is down 2,000 from a year earlier.

Industry officials note unless significant new orders come to hand, at least another 2,000 workers will be laid off by early fall.

The reason: much of the work (naval ships excepted) now in on the ways at various yards is due to be completed by spring or summer of this year.

Opening of the St. Lawrence Seaway last year has brought only scant new business to the nation's shipyards. **At present only seven bulk carriers designed for Seaway trade are on builders ways.** All but one are scheduled to be completed by early 1961.

The bulk carriers were necessitated by the Seaway which permits use of much larger vessels in the movement of bulk cargoes between the mouth of the St. Lawrence and head of the Great Lakes. They have rendered virtually obsolete the small "canallers".

Shipping companies that formerly operated fleets of canallers, accordingly, have been replacing them with new larger vessels built to near maximum Seaway specifications.

But because of their much greater carrying capacity a few of the large vessels are capable of replacing a considerable number of canallers.

Most of the new Seaway bulk carriers can't operate on the high seas. They are designed for use in the St. Lawrence River - Great Lakes where weather and water conditions permit a special, lighter and hence less expensive type of construction.

Several bulk carriers, it should be noted, have been built in Canadian yards to ocean-going standards. These ships accordingly can operate in the Seaway system during the spring to late fall navigation period and ply the high seas during the winter freeze-up.

Here's the work now in progress in the nation's shipyards:

PACIFIC COAST REGION

Yarrows Ltd. and **Victoria Machinery Depot Co.** are building a repeat Restigouche class destroyer escort for the Royal Canadian Navy. Victoria Machinery will build the hull which will be fitted out by Yarrows.

In addition, Victoria Machinery is building a 329 ft. automobile - passenger ferry of 2,880 gross tons for the British Columbia Government. A similar ferry is being built by **Burrard Dry Dock Co.** Both ferries are scheduled for completion in early spring. Burrard also has a destroyer escort being built for the RCN.

GREAT LAKES REGION

Collingwood Shipyards is working on a 17,300 gross ton bulk cargo vessel for **Canada Steamship Lines** and a similar 17,123 gross ton vessel for **Carryore Ltd.** The two ships are scheduled for completion in spring and summer respectively. In addition Collingwood has a 1,300 gross ton passenger-cargo vessel building for Department of Transport. It is to be completed at the end of this year.

Port Weller Dry Docks is converting a tanker into a 24,700 dw ton bulk carrier and is building a 298 ft. passenger-cargo vessel for the Canadian Government. The passenger-cargo vessel is one of the two ships Canada is giving to the West Indies Federation. The conversion job is expected to be completed in June of this year, the passenger-cargo vessel in 1961.

Neither **Port Arthur Shipbuilding Co.** nor **Kingston Shipyards** have any new orders in hand at present.

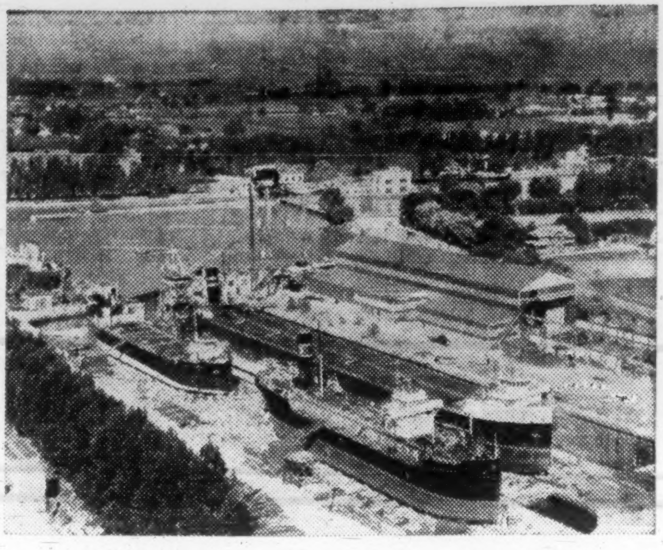
ST. LAWRENCE REGION

Canadian Vickers Ltd. is building two upper lakers of 33,000 dw tons each for **Scott Misener Steamships Ltd.** They are scheduled for completion in 1960 and 1961. In addition company is building the second 298 ft. cargo-passenger vessel to be given by Canada to the West Indies. Vickers is also working on a destroyer escort for the RCN.

Marine Industries Ltd., Sorel, has started work on a destroyer escort.

Davie Shipbuilding Ltd. is working on a 41,000 dw ton tanker, two upper lakers (one of 26,000 gross tons the other 15,000 gross tons), a 3,120 gross ton ice breaker for Department of Transport and a destroyer escort for the RCN. With the exception of the destroyer escort, the ships are scheduled for completion in 1960.

George T. Davie & Sons has a 900 gross ton sounding vessel for the Department of Transport.



CANADA'S SHIPBUILDING industry has been hard hit as shipbuilding programs come to an end and no new orders in sight.

ATLANTIC COAST REGION

Halifax Shipyards Ltd. is building a destroyer escort for the RCN and a passenger-automobile ferry. The latter, intended for the Prince Edward Island - New Brunswick run, is scheduled for completion this year.

Saint John Dry Dock Co. is building a 1,200 gross ton buoy and supply ship and a 1,100 gross ton passenger-cargo vessel, both for Department of Transport.

Ferguson Industries Ltd., is building a 500 dw ton passenger ferry for Department of Transport and two dump scows for Department of Public Works.

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Textiles in Canada

FABRIC OUTPUT USE

	Production of all Fabrics	Imports	Exports	Apparent Supply	% Canadian
	million yards				
1935-'39 ave. .	294	120	4	410	71
1950	467	233	6	696	66
1951	420	219	9	629	65
1952	345	283	7	620	54
1953	367	277	4	640	57
1954	340	250	4	586	57
1955	398	283	5	676	58
1956	393	316	4	705	55
1957	369	336	8	697	52
1958	338	357	6	683	49

Carpet Industry Boon to Textiles

A modest recovery appears under way in Canada's big, well-diversified textile industry.

Final figure on value of shipments from the nation's primary mills in 1959 is expected to reach $834 million, up 3.9% from $803 million in 1958.

Average estimated employment in 1959 at 75,600 is up 1.6% from 74,400 in 1958.

The big question now before textile makers who are gearing up for 1960 production:

Will the improvement continue or will it prove short-lived as have several other upturns in the past few years.

In the past decade, the Canadian textile industry has been beset by problems.

Almost without exception, primary producers in Canada have been faced with severe import competition, weak prices and rising costs.

As a result, share of the domestic market held by Canadian producers has been declining steadily.

In 1951, for example, domestic mills held 66% of the Canadian textile market for fabric. By 1959 their share of a bigger market had declined to 46%.

Near-term future of the Canadian textile industry hinges to a large extent on outcome of a two-year enquiry into the entire Canadian textile tariff which has just concluded before the Tariff Board in Ottawa.

The hearings comprise the first review of the complete textile tariff in the past 30 years.

The board has heard representations from Canadian and foreign textile makers as well as domestic users. The hearings were divided into 12 sessions, each devoted to a separate segment of the industry.

So far the board has reported on six of its 12 hearings and the federal government has acted on recommendations contained in one report.

Government action resulted in an increase in the tariff on much—but not all—of wool cloth imported into Canada.

In 1958 the government raised the tariff 10c lb. on lightweight wool cloth and 5c lb. on heavy wool fabric coming into Canada under the British Preference Tariff.

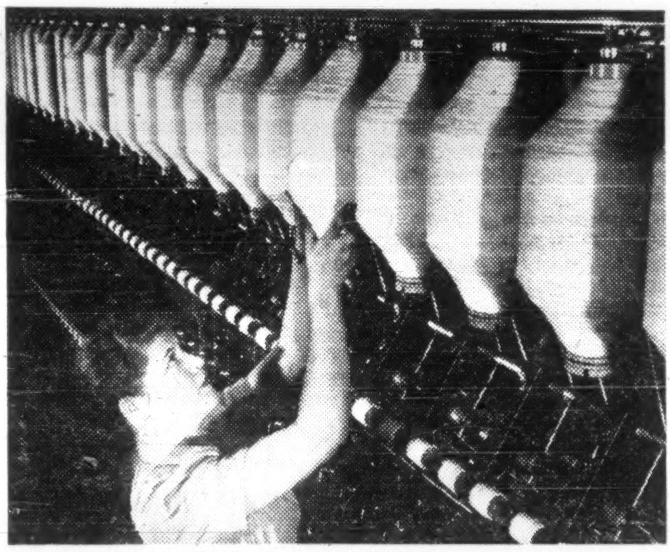
Since the effect of this increase was to reduce the traditional margin between British Preference and Most Favored Nation duty rates, in mid-1959 the government also increased the latter rate.

Canada's textile makers generally, with but one exception, have been encouraged by the tenor of reports handed down by the Tariff Board so far.

These reports usually have recommended some tariff increases — though frequently not of the magnitude requested by the industry.

Only one—dealing with hosiery and knit goods—suggested any significant tariff reductions.

In general, the reports have substantiated to a great extent domestic textile makers' contentions that their industry is hard-pressed.



CANADA'S TEXTILE industry has been faced with severe import competition, weak prices and rising costs.

In 1959 the cotton textile segment of the nation's primary textile industry suffered two major reverses.

Canadian Cottons Ltd. — once the nation's second-largest cotton textile maker—ended manufacturing operations.

The company had been reducing the scope of its operations for the past several years.

While some of the markets formerly held by Canadian Cottons have undoubtedly been snapped up by Canadian competitors, the balance have been taken over by imports, further reducing the domestic producers' share of the Canadian market.

Production of **Dominion Textile Co.** — the nation's largest cotton textile maker — has been seriously curtailed by a long strike which started in the big Magog, Que. print works.

Since the Magog works finishes a good proportion of the production from the company's other mills, both sales and earnings of Dominion Textile for 1959 were seriously affected.

Largely due to these two factors, estimated value of shipments from Canada's cotton textile mills in 1959 is expected to reach $198 million, down from $210 million in 1958.

Estimated shipments of cotton fabric at 240 million yd. were down five million from 1958 while imports at 330 million yd. were 32 million higher.

Result is that domestic cotton makers in 1959 held 42% of the Canadian cotton market against 45% in the previous year.

Value of synthetic fibre textile shipments in 1959 is expected to reach $190 million, up substantially from $177 million in the previous year.

Estimated synthetic fabric shipments at 79 million yd. were up three million from the previous year.

But because imports of synthetics increased by a like amount, domestic producers' share of the Canadian market dropped one percentage point to 67%.

Strength in the synthetics is due both to the good year experienced by knitters — who are major users of synthetic fibre yarns — and to growing industrial use of man-made fibre.

Helped by small tariff increases and a fashion trend toward wool, Canada's wool textile industry also turned in a better performance in 1959 compared with the previous year.

Estimated value of shipments in 1959 is $147 million, up from $137 million in 1958.

Estimated wool fabric shipments at 18 million yd. were up from 17.1 million in 1958 while imports at 16 million yd. declined from 16.1 million the previous year.

Result was to increase the Canadian wool textile makers' share of the domestic market to 53% from 51% in 1958.

In the hosiery and knit goods industry, 1959 results were mixed.

Knitters dealing in products made from so-called luxury fibres generally fared well, with firm prices and good demand.

Producers in the low price range, however, attained little if any improvement owing to heavy import competition.

Producers of ladies' full-length nylon hose remain in a precarious situation.

Prices are very weak and demand poor.

Distress selling of full-fashioned hose has started to spread to seamless hose as production capacity of the latter increases.

Total value of shipments of hosiery and knit goods in 1959 is estimated at $183 million, up from $171 million in the previous year.

Value of 1959 shipments of other segments of the primary textile industry — including cotton thread and miscellaneous cotton goods, dyeing and finishing, narrow fabrics such as tapes and ribbons, coated fabrics and the cordage industries — is expected to total $116 million, up from $109 million in 1958.

One of the dynamic factors in the Canadian textile industry during the past 1½ years has been carpets. Demand and prices have both been strong.

The carpet industry has been helped along by the high rate of family formation, the home construction boom and introduction of tufted (sometimes called machine-stitched) carpets.

Most major manufacturers already are in, or are considering getting into, the tufted carpet field.

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A $15,000,000 basic steel mill under construction; steel fabricating plants; a second multi-million dollar potash mine and refinery; a vast iron orebody being readied for development; a $184,000,000 river dam project for large-scale irrigation, hydro power, water supply, resort development, etc., a second hydro-power development is to start this year at a cost of $46,000,000.

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A Land of Opportunity

Almost two million people from foreign countries have come to settle in Canada since the end of World War II.

And more than one third of all Canadians and residents of Canada were born in a foreign country.

Immigration has declined since the record year 1957, when 282,164 people arrived in Canada. The country received 124,851 new immigrants in 1958.

Last year some 100,000 settlers arrived.

Economic conditions largely set the trend in immigration. The 1958 recession had serious effects on Canada's employment situation.

It caused the government to restrict the number of new entries pending recovery of the economy. The situation did not, in the government's judgment, offer reasonable employment prospects for newcomers.

Recovery from the recession came sooner in most European countries than in Canada. As a result the number of immigrants from the U. K. declined sharply from 109,252 in 1957 to 26,885 in 1958.

Numbers of immigrants from West Germany and the Netherlands dropped by almost half to 15,144 and 7,488 respectively in 1958.

With 28,242 arrivals in 1958, Italians became the leading group of new settlers and held the lead in 1959.

The Canadian government is aware, in the words of Ellen Fairclough, the minister of Citizenship and Immigration, of "the great contribution of immigrants as producers of wealth, as employers of labor and as consumers of Canadian products."

No official seriously entertains the view that in times of economic depression immigrants seriously add to the unemployed problem. The official view is, however, that it is "neither fair nor sensible to entice immigrants to come to Canada unless the economy is sufficiently healthy to provide opportunities for their employment."

The proportion of settlers seeking employment on the open labor market is relatively small.

The annual movement includes a large number of dependents and workers coming to sponsored employment, or to establish themselves in an independent occupation.

Formal estimates put the proportion of immigrants looking for jobs on the open market at an average of 12% for the last five years.

Of 85,355 immigrants who arrived in Canada during the first nine months of last year, 43,943 intended to add their skills to the nation's labor force. They brought with them 41,412 wives, children and other dependents who did not seek employment.

Immigrants

Total immigration into Canada by calendar years:

1945	22,722
1946	71,719
1947	64,127
1948	125,414
1949	95,217
1950	75,912
1951	194,391
1952	164,498
1953	168,868
1954	154,227
1955	109,946
1956	164,857
1957	282,164
1958	124,851
1959 (first 9 mos.)	85,355
TOTAL	1,904,268

Preferred areas for the new settlers remained Ontario and Quebec, with 45,004 and 12,295 new immigrant arrivals respectively in the first nine months of 1959.

This trend continues to keep pace with Canada's industrial development.

But with the growing oil industry in the three Prairie provinces and new power and mining development in B. C., these areas begin to attract greater numbers of immigrants.

Almost half of the new settlers are between 20 and 30 years old. And more than one quarter are under 20 years of age. Besides youth and health they add to Canada's over-all assets a variety of capital effects.

In the fall of last year, the Canadian government decided to open its doors to a number of refugees who still populate camps in central Europe, especially immigrants suffering from tuberculosis.

To date some 300 of these unwanted victims and their families of postwar conditions have found a new home and proper medical care in Canada.

Immigrants find in their new homeland a variety of organizations and services which help them to overcome their early problems of adaptation.

Welfare services, language classes and vocational training centres aim to smooth the way to rapid and full integration of the newcomers.

The outlook for 1960 is for 125,000 new immigrants, or about the annual average of postwar years. The economy seems to warrant this target.

The trend and duration of Canada's present prosperity depends more than ever on expansion of homemarkets for the nation's growing secondary industry.

And it is generally conceded that a steady influx of new settlers is in this respect, more than in any other, of mutual benefit of immigrants and their new homeland.

Canada continues to offer one of the greatest challenges in terms of prosperity and profitable development of abundant resources. Nothing but lack of skills, manpower and consumers could limit Canada's long-term prospects.

Where They Came From

IMMIGRATION INTO CANADA BY MAJOR NATIONAL GROUPS

Origin/ Language	Dec. 31, 1944 to Jan. 1, 1959	1957	1958	9 mos. 1959
British	637,622	109,252	26,885	16,582
German*	262,771	31,011	15,144	9,380
Netherlands	150,351	12,132	7,488	4,959
Italian	238,308	28,935	28,242	20,985

*Includes Austrian.

HERE, NEWCOMERS to Canada attend government-sponsored English lessons.

World Lead For Canada

Chalk up another "lead" for Canada in electronics:

Meteor trail communications.

VHF (very high frequency) communication systems that bounce messages off meteor trails have become a specialty of a Canadian company.

Ferranti - Packard Electric Ltd., Toronto, has just delivered a $350,000 ground-to-ground communications system to the U. S. Army.

Ferranti - Packard supplied another earlier this year to the U. S. Air Force.

It's thought that Ferranti-Packard has a world lead in ground-to-ground meteor trail communications.

Meteors are approximately 70 mi. up, and vary greatly in size, the smallest being about the size of a pin head.

The communications equipment can transmit for only about 5% of a 24-hour day, because of meteor conditions.

But the equipment transmits at a speed of 1,200 words per minute. That's an average of 60 words a minute around the clock.

The big advantage of bouncing signals off meteor trails: Use of very high frequencies for long-range communications (up to 1,000 mi.) at low power.

Ferranti developed the system on a concept of Canada's Defence Research Board. First system was tested in 1955 between Toronto and Port Arthur.

Ferranti-Packard also has supplied systems to the RAF, the SHAPE Air Defence Technical Centre at the Hague and to the Canadian Army Signal Corps for use between Edmonton and Yellowknife.

NEW TELEPHONE

Ericsson Telephone Sales of Canada Ltd., Montreal, has a new portable magneto telephone that works on standard flashlight batteries. Firm says it is especially suitable for use in mines and construction work.

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Tough Problems For Fish Industry

Well-being of Canada's fishing industry depends upon export markets in which it faces a two-pronged problem:

- **Increasingly tough competition.**
- **Lagging consumption.**

Production is running at 1,800 million lb. annually.

Fishermen's earnings are about $100 million and the industry is the mainstay o. some 95,000 Canadians.

Per capita consumption of fish in Canada is low — only 13.5 lb.

With annual catch far in excess of domestic requirements, Canada must export the bulk of its fish.

In 1959 value of fish exports increased through the spring and summer.

The last of the bumper 1958 sockeye salmon pack was still moving to the U. K.

Export prices for lobster products and canned sardines were up.

Shipments of herring meal to the U. S. and industrial herring oil to the U. K. expanded considerably and even exports of fish solubles and seaweeds increased.

The usually active salt fish trade with the Caribbean shrank to small dimensions in the first three quarters of the year but improved in the last quarter.

In most markets competition from other large fish-producing nations was keen.

"Many of these nations have a lower cost structure than ours," said H. D. Pyke, past president of the Fisheries Council of Canada.

He suggested government has a role to play by ensuring that production equipment can be purchased as cheaply by Canadians as by their competitors.

"We must recognize that some countries fishing in the same areas on the East Coast are not hampered by economic factors and have been expanding their fleets faster than we in Canada," he said.

Canada's commercial fisheries in 1959 showed results that varied from excellent to poor, depending on where fishermen cast their nets and baited their hooks.

Brightest aspect was a noteworthy recovery by the salt cod industry of Newfoundland which, because of poor catches, had slumped considerably in 1957 and 1958.

Conditions in the Maritimes also were good.

As the salmon cycle was in an off-year, British Columbia showed a decline from 1958.

The improvement in Newfoundland did not become apparent until the middle of the year.

With markets good, prices high and warehouses practically empty, fishermen had hoped for an early opening of spring fishing.

Instead most of the harbors were ice-blocked even in May while blizzards and hurricanes damaged shore installations and sank vessels.

By mid-June, however, traps were set.

Almost immediately large schools of cod moved into the fishing grounds.

All summer the traps yielded excellent catches.

Then the men turned to handlines, jigs and trawls, still with good results.

Cod is salted by the fishermen, who also dry a diminishing proportion of their catch, spreading it outdoors on rocks or drying frames.

Most of Newfoundland's salt fish now goes to mechanical drying plants either on the island or in Nova Scotia.

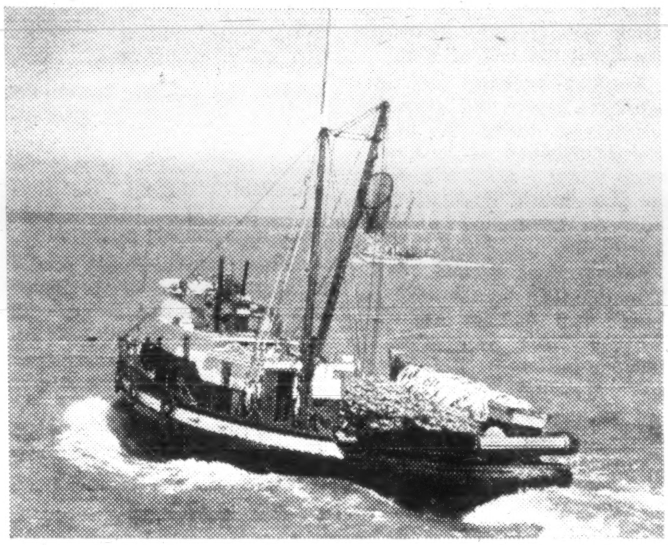
Meantime Newfoundland's frozen fish production was the heaviest in many years.

This industry depends mainly on the offshore catch of draggers and longliners and utilizes other types of groundfish as well as cod.

There was prosperity also in the other Atlantic Provinces.

Lobstermen landed a heavier catch at higher prices than in 1958 and increased their gross earnings by $2 million.

Live and fresh boiled lobsters, fresh and frozen lobster meat and canned lobsters commanded good prices in Canada and the U. S.



FISH INDUSTRY'S future depends on meeting competition and increasing home consumption.

An upsurge in illegal lobster fishing in some parts of the Maritimes was of grave concern to both the industry and fisheries authorities.

Following stern warnings, regulations were strictly enforced and violators were prosecuted.

The catch of haddock and cod also increased in value by more than $2 million.

Haddock were plentiful on the offshore banks and the freezing industry paid bonus prices for top quality fish, to be used for fillets and blocks.

These blocks are the raw material of the important fish stick industry.

New Brunswick's herring fishermen did well in the Bay of Fundy, keeping their local sardine canneries in full production and exporting to Maine canneries as well as to pet food and pearl essence factories.

Nova Scotia's scallop fleets had good fishing and earned about $500,000 more than in 1958.

A new venture by Nova Scotia fishermen also showed good results.

This was Danish seining for greysole, especially in the area between Cape Breton and Prince Edward Island.

Not counting the thousands of small boats engaged in lobster and other inshore fishing, there are nearly 600 trawlers, draggers, longliners, dory schooners and sword-fishing boats operating out of Maritime ports.

On the Pacific coast, with the four-year sockeye cycle dropping from its high point, only an average year was expected. Even so the catch was disappointing.

Sockeye, pink and chum salmon are seined for the canneries, spring and coho salmon are taken by troll for the fresh fish market.

Both pinks and chums were much less plentiful than had been forecast and the total canned pack barely exceeded one million cases.

This was the smallest since 1944.

With high price levels for fresh salmon encouraging fishing, catches by the troll fleets held up well into September but then declined sharply, partly because of a decrease in fish supply, partly because of rough weather.

British Columbia's entire fishing industry was suspended for 16 days at the height of the season by a general strike of both fishermen and plant workers.

In addition the herring seine fleet was on strike from May to October in support of demands for higher prices for meal and oil plants.

James Sinclair, president of the Fisheries Association of British Columbia, which speaks for the operators, says increasing world competition has reduced the export market prices for herring oil and meal to a point where Canada can't compete.

He blames high production costs for pricing the B. C. herring industry out of world markets.

Labor blames the industry's production and lack of processing for food purposes.
cessing for food purposes.

Herring fishing was good before and after the break but the two strikes cut severely into Canada's west coast production in 1959.

As a result of improved roads and transportation facilities, promising freshwater fisheries are developing in many hitherto remote lakes.

Last summer's landings in Alberta were believed to have been heavier than ever before but the bulk of supplies still come from the Great Lakes which produced normal amounts in 1959.

An important project conducted by the federal Department of Fisheries in 1959 was the continued restoration of depleted oyster beds in Nova Scotia and New Brunswick.

A three-year operation, transfer of 10,000 bbl. of disease-resistant oysters from Prince Edward Island to the devastated mainland beds was begun in 1957.

The disease, harmless to humans, was similar to that which destroyed PEI beds in two previous epidemics.

Oysters which survived were immune.

This strain was used to rehabilitate the mainland stocks.

If the transferred oysters encounter favorable years for reproduction, most depleted fisheries should be producing again by 1965.

Canada's Fish Industry

VALUE OF FISH LANDED
($'000)

1957	1958	1959 (est.)
81,085	101,636	98,600

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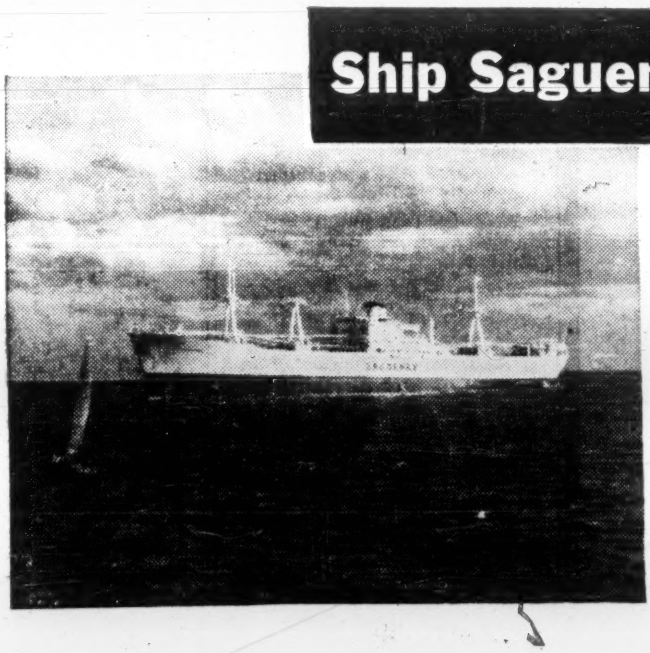


Aviation

Important Role

Aviation, both the building and flying of aircraft, has long played an important role in Canada.

Sparked by World War II's urgent need for more and more planes and engines, a large and modern industry was born.

For a while, after the end of fighting, it began to run down as the Allied air forces no longer needed its products.

Korea again set the factories humming. Defence contracts poured in from Ottawa as well as Washington, London, Bonn and other capitals.

Then, for a second time, there came a decline.

It was not so much due to peace as to the unbelievably high cost and technical requirements of modern day defence.

The industry now seems to be emerging from the very deepest part of its most recent decline.

But the damage it sustained during the most recent storm has altered it so that few could now recognize the industry of just five years ago.

The most sweeping setback was last year's decision by the cabinet to cease production and any further development of a startling, delta-winged supersonic interceptor known as the CF-105 Arrow.

To an extent the Arrow's story was the story of postwar aircraft production in Canada.

Until World War II there had been next to no aircraft production in Canada.

The handful of plants were used mostly for assembling and overhauling aircraft built in the U. K. and the U. S.

The full danger of this policy was brought home to Canadians in 1941 when, overnight, it seemed there was a very real threat of attack from the Japanese forces against the West Coast.

On duty to repulse such an air attack were some dozen obsolete Lysander reconnaissance planes, a couple of transports and one or two flying boats.

That was bad enough, but even worse was the realization that Canada could neither buy nor build modern fighters in anything like the time required.

Finally a team of RCAF officers virtually "stole" a small number of relatively modern P-40s—with the U. S. authorities turning a blind eye.

Those planes, already declared substandard by the U. K., were the only fighter defence that awaited the carrier attack that never came.

There was a strong feeling after that in government circles that never again must Canada rely entirely on outside sources for vital equipment.

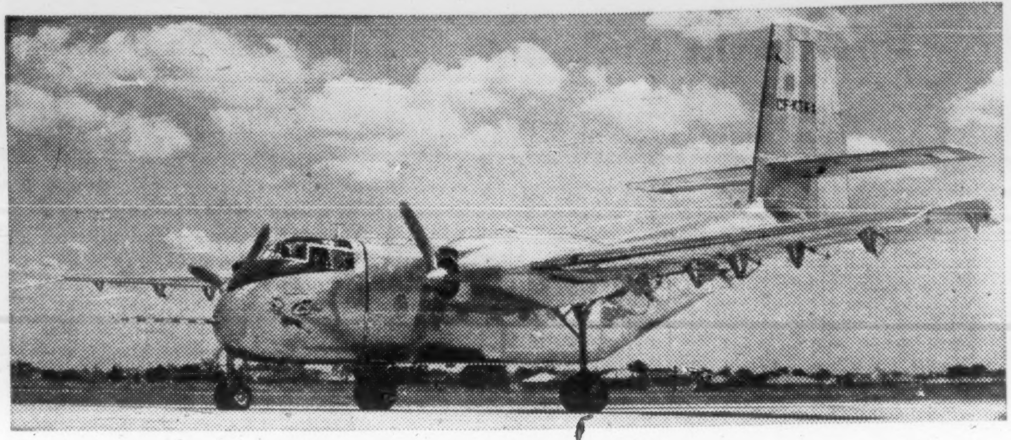
By the end of the war modern bombers and fighters were pouring off production lines set up from Vancouver to Halifax.

However, the balanced industry that the planners had hoped for was still missing.

While the wings and bodies of one type of plane might be in full production in Canada, the engines were sometimes delayed in the U. S. or the U. K.

When the war was over, said the planners, Canada should set up a new, completely integrated aviation industry.

Most plants and equipment belonged to the Crown — in other words, to the state.



DE HAVILLAND'S CARIBOU is being tested for the U. S. Air Force. Some small orders have already been given. Bigger ones are expected later this year.

In the immediate postwar years these were sold off to a number of buyers, the more important of which were the **U. K. Hawker Siddeley Group** and the U. S. **General Dynamics Corp.**

Hawker Siddeley bought the plant of **Victory Aircraft** at Malton airport just outside Toronto to form **Avro Aircraft Ltd.** and General Dynamics took over a large factory near Montreal, forming **Canadair Ltd.** to operate it.

These two thus joined the pioneer Canadian plane builder, **de Havilland Canada Ltd.**, as the big three of the Canadian industry.

By the beginning of the 1950s each company was working at full speed, sending out frantic messages for new men and ideas to meet the demand.

The outbreak of the Korean War had meant a new surge of defence business.

At Montreal the Canadair plant began full-scale production of T.33 jet trainers and F-86 Sabre fighters.

Eventually more than 1,500 Sabres were to come off the Canadair line, the later versions powered by Canadian designed and built jet engines from **Orenda Engines Ltd.** in Toronto.

Orenda Sabres developed performance considerably better than U. S. powered versions of the same design.

Today they are in use in many NATO nations as well as the RCAF in Europe.

At the de Havilland plant, Korea also meant new work.

De Havilland's Canadian operation had long been built around specialist bush planes.

By 1950 it had its own first all-Canadian design, the Beaver, in production.

Over 900 were ordered by the U. S. Army. Substantial civil sales were also made. A later design, the larger Otter, also met with considerable success, some 300 having been sold so far.

Korea meant prosperity for the Avro plant at Malton.

Yet ironically that same prosperity based on defence needs was to play a significant role in the eventual decline of Avro as a plane maker in Canada which came about last year.

In the late 1940s the Avro design team had been working on two projects.

One was a 500-mph interceptor that could carry a two man crew, heavy armaments and sophisticated radar. This was the CF-100.

At the same time, with a minimum of fuss and publicity, Avro designed and built a jet airliner. It made its first flight only days after the much heralded Comet in England.

The Avro executives and the Canadian government faced a difficult decision.

The need for a new interceptor capable of defending Canada's wide arctic frontier was pressing.

Yet in the Avro Jetliner Canada had its first chance to take a lead in commercial aviation.

It is now generally accepted that, had it not been for Comet production, space would have been found for the Jetliner somehow, somewhere. But the Comet was at least 150 mph faster, more modern in every way.

Regretfully the Jetliner was scrapped and Avro turned to maximum production of CF-100s.

The eventual troubles of the early Comet are now history.

Had the Jetliner been available it might have filled the gap.

Or, perhaps, it too might have run into the problems of metal fatigue and shared the fate of the earlier Comet designs.

It is a question that still intrigues Canadian airmen.

The defence-inspired boom rolled on through the Korean War and up until three years ago.

Aviation production had grown into a new giant on the Canadian industrial scene.

Yet with the exception of de Havilland's highly successful Beaver, Otter and still bigger Caribou bush planes, the industry relied almost entirely on defence orders. And these were beginning to dry up.

By far the biggest single defence effort was centred on a 1,500 mph interceptor being developed by Avro — the CF-105 Arrow.

Over $200 million had been spent on the Arrow by the time the first one flew.

It was an outstanding aircraft, by far the best example of what Canadian technical ability could produce.

But Ottawa was haunted by doubts.

Estimates were made that before Arrows got into full service the threat would be from guided missiles and not manned bombers.

And the final price seemed certain to reach at least $400 million.

In February 1959 the government decided to stop work on the Arrow.

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The Civic Development Committee of the City Council, Municipal Building, Church Street, St. Catharines, Ontario.

The Uses Of Atomic Research

Preparation of an 11,000-acre site for Canada's second nuclear research centre is to start this summer.

The site is on the east bank of the Winnipeg River about 60 mi. northeast of the city of Winnipeg.

To be known as the Whiteshell Nuclear Research Establishment, the new centre will start as a small unit but will expand as nuclear research expands.

It may reach a size comparable to that of the Chalk River plant, which has grown steadily since it was established in 1944.

Both centres are properties belonging to the Crown corporation, **Atomic Energy of Canada Ltd.**

Construction of buildings and laboratories and the installation of equipment and technical services at the site will begin with the next major project to be undertaken by A.E.C.L. in the research and development field.

This may be an organic-cooled, natural-uranium-fuelled, heavy - water - moderated, power reactor experiment.

It is expected that work on such a plant will begin early in 1961.

The Chalk River centre is considered to be near maximum size for efficient operation.

The number of workers is nearing 2,500, of whom over 400 are university graduates.

Research carried out at this older centre has put Canada among the top-ranking nations in nuclear studies.

At Chalk River there are now five experimental reactors —ZEEP, NRX, NRU, PTR and ZED-2.

The annual expenditure on the general research and development program is between $25 and $30 million.

The 40,000 kw (thermal) NRX reactor went into operation in 1947 and the 200,000 kw (thermal) NRU reactor was put into service in 1957.

Both reactors are used for nuclear power experiments, for fundamental research and to produce radioactive isotopes and plutonium.

The NRU reactor was the first one in the world to be refuelled routinely while the reactor continues to operate.

The NRX reactor, built with U. S. help, was for many years after World War II the most powerful source of neutrons in the world.

Much work was done on it on behalf of the U. S. and U. K. that could not have been done anywhere else.

The three low power reactors, ZEEP, ZED-2 and PTR, are used for different purposes such as:

- Testing fuel rod arrangements for power reactors,
- determining the reactivity of fuel samples,
- studying the neutron-absorbing properties of materials.

The 100-watt ZEEP reactor, which went into operation in 1945, was the first reactor to operate outside the U. S.

In the many laboratories at Chalk River fundamental and applied research and development are carried out in biology, medicine, physics, metallurgy, chemistry and engineering.

In addition to the research reactors, there are other large research machines such as a 10-million-electron-volt Tandem Accelerator, a three-million-electron-volt Van de Graaf Generator and a large Beta Ray Spectrometer.

The Van de Graaf atom-smashing machine was, at the time of its inauguration, the most powerful of its class in the world.

The Tandem Accelerator, commissioned early in 1959, is the first machine of its type to go into operation.

It extends the range of precise nuclear measurements to the heaviest elements.

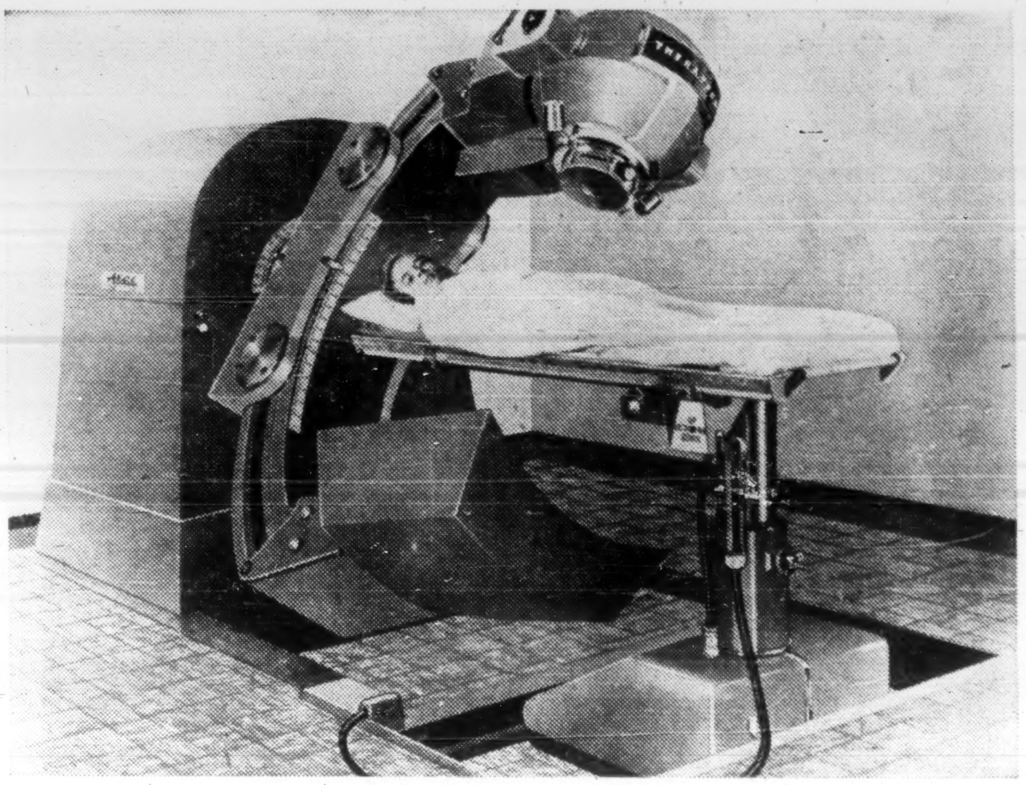
Canada was one of the pioneers in the application of radioactive isotopes in research, medicine, agriculture and industry.

A commercial products division of the crown company processes and sells radioactive isotopes produced in the Chalk River reactors and also develops new uses for isotopes and equipment for their application.

The division has sold more than 160 cancer - treatment units using cobalt-60 or caesium-137 to clinics and hospitals in 27 countries.

A portable facility, designed for industrial use, is also available for the gamma irradiation of material.

Nuclear research departments have also blossomed out in many Canadian universities.



THE COMMERCIAL PRODUCTS Division of Atomic Energy of Canada Ltd. has sold more than 160 cancer-treatment units such as this to clinics and hospitals in 27 countries.

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PAID-IN CAPITAL - $27,000,000

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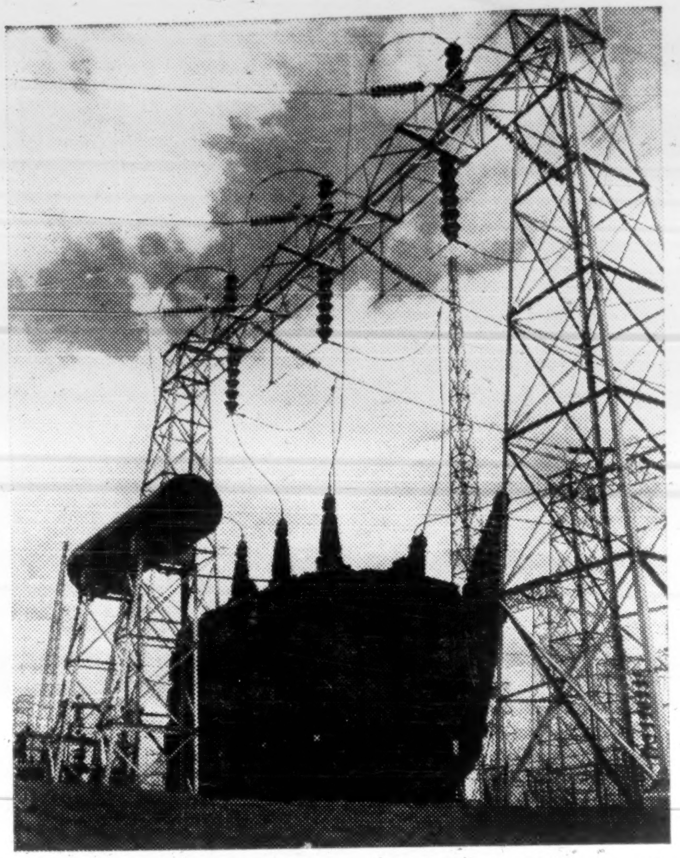


SOME 2.5 million horsepower was added in hydro-electric power last year.

Last year saw a record for new hydro-electric generating capacity added to meet demands for power in Canada.

In 1959, a total of 2,508,800 hp. in new hydro generating capacity was added, beating the previous year's record of **2,485,040 hp.**

Quebec led all other provinces **by** addition of 1,457,800 hp. **while** Ontario followed **with 831,300 hp.**

Hydro-electric installed capacity **in** Canada is now 24.9 million hp.

Besides those installations completed in 1959, new power projects or expansion of existing plants will add around 1,700,000 this year while yet another 2,300,000 in new capacity is under construction or in the planning stages for development in the near future.

On top of all this hydroelectric development, new thermal plants or expansion of existing thermal plants were under way in nine out of 10 provinces, as well as in Yukon Territory and the Northwest Territories.

Ontario, with all its major sources of hydro-electric power already developed, is making the greatest swing to thermal power.

But **the** gradual swing to steam **is** Canada-wide as hydro sources within economical reach **of** high demand areas dwindle and due also to the fact that the two sources, hydro and thermal, can be combined advantageously for handling peak demands.

Best example of this is in Ontario where hydro sources are utilized to the fullest and more expensive thermal power called on in peak demand periods. At the same time, in years when water storage is low **in** certain areas, greater demands can then be made on the thermal stations.

On top of all this expansion during 1959, construction of auxiliary equipment such as main transmission lines, distribution lines and substation capacity was heavy.

A major event, almost obscured by the opening of the St. Lawrence Seaway which opened the heart of the North American continent to ocean-going ships of substantial tonnage, was the installation of the nine remaining units of the Robert H. Saunders generating station at Cornwall, Ont., on the Seaway, totaling 675,000 hp. of additional capacity.

In Quebec, one of the most unique power developments saw the first units of the Chute des Passes generating station of the **Aluminum Co. of Canada** bring in 600,000 hp. of capacity.

Again in Quebec, the Bersimis 11 generating station of Quebec Hydro added another 513,000 hp. to the company's power supply.

The total installed hydro capacity of 24.9 million hp. is still less than 30% of the estimated feasible turbine installation based on the country's estimated waterpower resources.

One of the most imaginative projects yet conceived, development of hydro-electric energy on the British Columbia portion of the Peace River, comes closer to realization.

Present plans call for two dams, a main storage dam with an operating head of 600 ft. and a total storage of 88 million acre-ft. of which 30 million acre-ft. will be usable storage.

At present, planned generating capacity is around 2.5 million kw. at the main dam. A second dam and hydro-electric plant, downstream of the main dam, will have an operating head of 150 ft. and an installed generating capacity of around 600,000 kw.

From the main dam power plant, a 500-kv. transmission line will carry power to the lower mainland of British Columbia and Vancouver where demand is heaviest.

In Alberta, about 102,000 hp. in new capacity will be added this year in hydro power and more still in the years to come. At the same time, the Wabamun thermal plant will be expanded by addition of a 150,000-kw. capacity by addition of a new 30,000-kw. gas turbine unit.

Another plant at Edmonton was recently expanded to 180,000 kw capacity by addition of a new 30,000 kw. gas turbine unit.

Alberta Power Commission estimates that some 50,400 farms were receiving electric service at the end of 1959.

Another exciting and imaginative power and irrigation scheme got under way in the wheat province of Saskatchewan when a start was made on the South Saskatchewan River power and irrigation development.

This project is mainly for irrigation but hydro-electric power will also be produced. Scheduled for completion in 1966, an initial installation will produce around 180,000 hp.

Some of this power will be used for pumping irrigation water in the area and the remainder for power use beyond the development.

At Squaw Rapids on the Saskatchewan, construction has started on a 2,000 ft. earth dam which will help form a reservoir of some 1.8 million acre-ft. of storage.

A power dam below the rapids will generate about 1,000 million kwh each year, with first four units to go into operation in 1963 and the final two by 1964.

First five units of the Kelsey generating station on the Nelson River in Manitoba go into service this year which will produce 200,000 hp. in generating capacity.

In addition to 831,300 hp. hydro-electric capacity added in 1959, Ontario has a construction program under way which will add another 26,500 hp. in 1960 and 2?6,500 over succeeding years.

Thermal capacity installed last year totaled 268,000 hp. and another 2.8 million will be added in the next few years.

Completion of the Robert H. Saunders station on the St. Lawrence brought the total capacity of this plant to 1.2 million hp.

Most significant event of the year, perhaps, in the power field was the final choice of a site on some 2,300 acres of land between Kincardine and Port Elgin on Lake Huron in Ontario for Canada's first commercial atomic energy power plant.

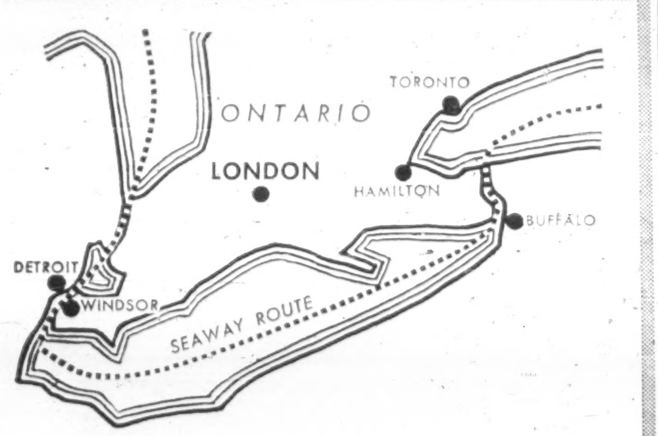
Atomic Energy of Canada Ltd., will build the plant and, when completed and tested to the satisfaction of Ontario Hydro, it will be bought by the latter and worked into the commission's vast power network. But it will first have to be proved a power source competitive with the costs of alternative power sources.

Quebec has announced yet another major hydro power development for the Ottawa River at Carillon, about 50 mi. from Montreal. The station here will eventually have 14 units of 60,000 hp. each.

Other provinces all added substantially to hydro power and thermal generation during the year 1959 and are carrying on significant expansion programs in 1960 and the years to come.

A proposed power development at Hamilton Falls in Labrador could ultimately produce some four million hp. and there is speculation that some of this might some day be transmitted to Ontario.

However, this is still a long way off. But extensive experiments are now being conducted on high voltage transmission lines by Ontario Hydro to provide means of bringing hydro-electric power economically over long distances.



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IT CAN BE DONE, and Forecaster clients know it. **United Keno,** for example — a likely candidate that our Research Department plotted for this objective when we recommended a participation near $4. This month, shares broke through the $6.55-75 range; clients acted upon our sell instructions by liquidating all but free stock (currently protected by advised stop-loss orders), and remaining shares — now being held at no cost whatsoever—are yielding 6% from dividends on original $4 positions.

STEEP CAPITAL GAINS FOR CONVERSION INTO CASH? 1959—a so-called sluggish trading year—was full of such possibilities as Forecaster clients are also well aware. To mention only a very few, there was **St. Lawrence River Mines**—advancing within [illegible] months (from positions advised near $2) through our recommended $5.40 liquidation levels; there was **Argus,** which clients accumulated below $14 in 1958, liquidated at $35 in 1959 during situation's 250% upswing from their original purchase prices; there was **Dominion Dairies,** providing 100% profits over the medium term in a six-month run from suggested buys near $6.50 to recommended liquidation point at $13. STRICTLY SHORT-TERM PROFITS? By all means, and especially in the low-cost mining and oil situations: **Asamera**—in near $1 and advancing to our anticipated $1.54 sell zone two weeks later; **Chimo Gold**—suggested as a short-term buy near 60c and advancing within 30 days to 74c; **Bouzan**—recommended near 45c and rewarding clients with a 40% runup in five weeks. MORE? Many more, and for readers of **THE CANADIAN FORECASTER** the year 1960 will easily surpass the 12 months just ended. We cordially invite you to begin this new decade with us by taking advantage of our once-a-year free offer to all new subscribers—

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Defence

It Depends on 'Sage'

Canada's official estimate of $1,600 million for defence spending in the fiscal year which starts on April 1, 1960, is about 5% below the estimate approved for the present year (ending March 31).

This is a saving, on estimates of $88 million and represents about 27.8% of total government spending.

The apparent reduction results from several factors:

- **A lull in the purchase of new equipment, due mainly to uncertainty** about what equipment to buy at the present transitional stage of modern weapons.
- **A reduction in new building, due mainly to the completion of the Army's home establishments,** which have been under construction during recent years.
- **A cut in the civilian establishment working for the armed forces,** which results from a determined economy drive and several years of intensive study.

The lower spending does **not** mean, in any sense:

- **A reduction in the armed forces'** fighting manpower; or
- **Any change in the Canadian government's determination to back up the twin pillars of western security,** namely the "NATO Shield" in Europe and the retaliatory might of the U. S. Air Force.

The Secretary of State for External Affairs, Howard Green, has been stressing the importance which Canada attaches to the forthcoming disarmament talks in the U. N. Committee of Ten, of which Canada is a member; and the Canadian government is resolved to do everything it can to bring those talks to a successful conclusion. It does, perhaps, take a less gloomy view of the prospects than some of the other Western powers.

But it would be completely wrong to connect the new defence budget with the disarmament talks. The budget is not being reduced because Canada thinks it is safe to anticipate a successful agreement on disarmament. Hopes are not running that high.

Nor does the Canadian government believe that the prospect of achieving disarmament would be improved if western strength were to be reduced in advance of an agreement.

The resolve to enter upon disarmament negotiations in all seriousness is a basic and important foreign policy decision. It derives from the view Canada has been taking with growing insistence about the probable intentions of Soviet Russia and the Western powers.

There is a general readiness in Ottawa to believe that Moscow is as honest as anybody else in saying that it does not want a nuclear war.

The war danger lies, it is thought, in miscalculation and misunderstanding of each other's intentions rather than in any deliberate decision to launch a nuclear attack and risk the result.

If that is so, it is thought here, the Western powers cannot despair of reaching a disarmament agreement; they must stretch their minds and their efforts quite as far as the communist powers to find any starting-point for agreement.

But foreign policy also goes along with defence policy in believing that disarmament will be more possible — not less possible—if the western powers are vigilant to maintain their defences.

The "nuclear stalemate" is the condition for fruitful talk about disarmament.

Canada therefore is maintaining its contribution to the NATO Shield in Europe — an army brigade-group and a full air division.

Moreover it is in course of re-equipping the major part of the air division with a new "strike reconnaissance" aircraft, the Lockheed 104G.

Canadian factories are now tooling up to produce this aircraft both for the Royal Canadian Air Force and for the original batch of deliveries to the German Air Force.

Belgium and the Netherlands are also expected to adopt this same plane, so there should result a new degree of standardization among the NATO air forces — something which Canada has always felt to be very desirable.

Neither the construction program for the 104G, nor any other announced program of re-equipment, is being cut back during the coming year of reduced expenditure.

Full provision is made for the construction and communications and radar improvements which Canada has undertaken to install for the joint North American Air Defence Command.

The Royal Canadian Navy is continuing with the second phase of its program for building new destroyer-escort vessels for arti-submarine work. The 14 vessels of the first program are now largely in service; and the additions provided in the new program are being built two at a time, in two different yards.

This, it is true, is a slower rate than the original program, when four or more vessels were building at the same time; but the urgency is not felt to be so great as it was when the RCN lacked any vessels of later design than the second world war.

The objectives of Canadian defence policy can be summarized in the phrase used above—to strengthen the twin pillars of western security, the NATO Shield in Europe and the retaliatory might of the U. S.

As the close neighbor of the United States, sandwiched between that country and the Union of Soviet Socialist Republics, Canada is called upon for very intimate participation with the United States in the air defence of North America.

With three rings of warning lines already in operation, the objective of air defence is now primarily to ensure that the U. S. retaliatory force has enough warning of pending attack to ensure that its forces could not be paralyzed on the ground.

The secondary objective is to ensure that any attack that might be launched against targets in the United States could be broken up before it reached the targets.

For this purpose the air forces want to be sure of intercepting any attacking bombers as far away as possible from the vital Strategic Air Command bases and the essential centres of population and industry.

That is why the most southerly of the three warning lines is now being re-equipped with a marvelous new system called "semi-automatic ground environment" — or, for short, SAGE.

This system depends upon a network of electronic computers into which is fed all the information from the supporting radar stations. The computers are capable of digesting the information infinitely more quickly than the human brain; and once they are given the signal by a human controller they can guide intercepting aircraft or missiles to the oncoming attackers.

One of these "SAGE centres," controlling half a dozen heavy radar posts and two bases of Bomarc guided missiles is being installed in Canada.

All the other radar and interceptor bases in Canada will be tied into one of the computers situated in the U. S. near the Canadian border.

The two more northerly warning lines — the Distant Early Warning (DEW) Line near the northern rim of the continent, and the Mid-Canada Line across the centre of it — provide warning of any attack, but do not have the facilities to guide interceptors to their targets.

The transitional element in the present situation is that all these radar and interceptor systems are designed for defence against manned bombers.

The latest pronouncements from the Kremlin, which are now accepted as a true statement of the development of Russian military policy, put all their emphasis on the use of Intercontinental Ballistic Missiles.

They even hint at scrapping the Russian force of manned bombers, which has certainly been at a standstill for some time now.

There is as yet no proven method of intercepting ballistic missiles.

Warning devices have been built by the United States, known as BMEWS (Ballistic Missile Early Warning System), though there are none in Canada. They are capable of informing the air defence centre of NORAD that missiles have been fired from Russian bases.

But the next two necessary stages present problems which have not yet been solved.

The first is to get a device which can take its cue from the most advanced BMEWS posts, and pick up and track the missile after it has been fired.

One of the difficulties about this process is that all these missiles flying outside the earth's atmosphere drop off significant parts in the course of flight.

Each rocket-thruster detaches itself, for example, when it has completed its stage of the mission.

So any tracking device has to be capable of ignoring the spent components as they are detached, and following only the vital warhead.

If U. S. military research has yet discovered any device capable of making such a distinction, no word of it has been allowed to leak out.

The second and final stage necessary to intercept ballistic missiles and destroy them is to find another kind of missile to dispatch against them.

It will have to possess an almost miraculous accuracy. The task has been described as being the equivalent of shooting one arrow to hit another arrow which is flying directly toward you.

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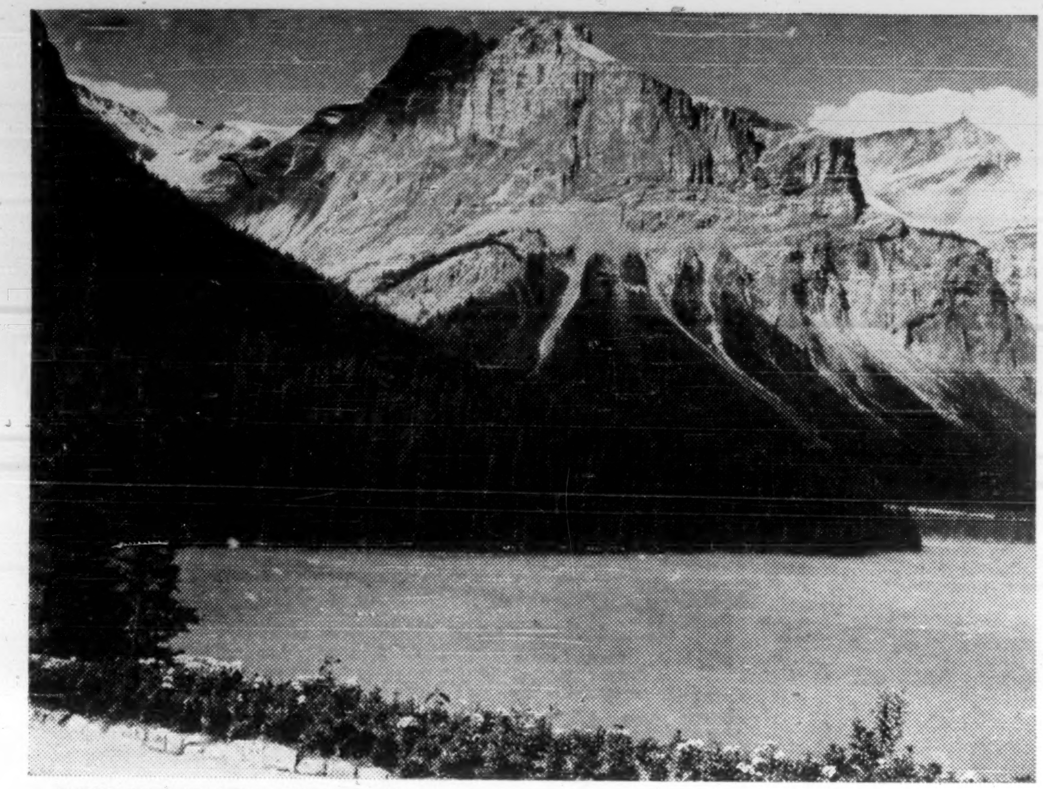

TOURISM IS ONE of Canada's top exports. Last year visitors spent $385 million.

Tourist Industry A Major Export

Tourism is one of Canada's major industries.

It ranks as one of the country's top "exports" — measured in money brought into Canada by foreign travelers.

For 1959, estimated foreign visitors' spending is around $385 million — an all-time record.

But tourism is also an important means of circulating Canadian money.

Canadians spend about $1,000 million traveling about in their own country each year. Through related businesses — such as hotels, restaurants, shops, gasoline stations, transportation services, etc. — tourism ranks high as an employer of Canadian labor.

U. S. travelers are Canada's best foreign customers.

From 1952 to 1957 the volume of U. S. visitors' spending rose steadily from $257 million to $325 million.

In 1958, it dropped back to $309 million — probably due to recession, poor summer weather in central Canada and strikes in western Canada.

But in the first nine months of 1959, spending by U. S. visitors was more than 10% higher than in the same period of 1958 and topped the 1957 record.

Foreign visitors from countries other than the U. S. spent an estimated $40 million in Canada during 1958 — an increase of about $2 million over 1957.

A new record will be set for 1959 since January-September figures are up at least 15% over the same period the year before.

It is in overseas travel markets that Canada expects to make notable gains in coming years.

With the relaxation of travel currency restrictions abroad — especially in the the U. K. — and growing interest in Canada all over the world, a big increase in overseas visitors is expected starting in 1960.

Canadian government and transportation companies will step up their overseas advertising campaigns to attract more of this big new market.

And for 1960 Canadian and foreign transportation companies will tie in "Visit Canada, too" promotion with the big "Visit U. S. A. in 1960" advertising now under way in overseas countries.

There have been some notable trends in Canadian tourism in recent years. Here are highlights:

- **Camping** and use of parks (national and provincial) are growing at a fantastic rate in every province.

Attendance in national parks last summer was 10% ahead of 1958 — a record year.

In provincial parks attendance figures for the busy summer months were up substantially in every province.

In Ontario there were 59% more visitors, 73% more campers.

New parks are being created all over the country, and government expenditures for parks' improvements increasing steadily.

- **Accommodation** is increasing and improving rapidly.

Major building has been motels, (especially in new areas and bordering new highways), motor hotels on the outskirts of big cities, and airport hotels.

Toronto alone has increased its hotel space well over 50% in the past six years, and there has been considerable expansion in other big cities — especially Montreal and Vancouver.

Resort building in Canada has lagged in recent years — although a very large number of establishments have introduced additions or improvements.

One reason cited for this lag is the difficulty of obtaining adequate loans.

In Ontario, resort operators have tried to persuade the provincial government to guarantee loans by chartered banks and mortgage companies.

The Canadian Tourist Association has put a similar proposal before the federal government.

So far, both attempts have been unsuccessful.

Four provinces — Newfoundland, Prince Edward Island, Nova Scotia and Manitoba—have special funds from which tourist operators may borrow.

- **Motor travel.** With the Trans Canada Highway very close to completion and other major highway programs well under way, long-distance motor travel by Canadians and foreign visitors has increased sharply in recent years.

- **Interest in the North and Northwest** is increasing.

Yukon Territory has made especially big news in the past two years.

In 1958, the area celebrated the 60th anniversary of the famous Gold Rush and drew hordes of visitors from all across Canada and from many states of the U. S.

But in 1959, the tourist count was more than 100% higher than the 1958 record.

- **The Seaway,** leading to the vast Great Lakes system, the industrial and cultural heartland of North America, may well become one of the world's top tourist attractions.

One of the outstanding tourist features in the Seaway area is the mammoth park project now well under way by the Ontario St. Lawrence Development Commission.

Last summer about 800,000 visitors stopped here to camp, picnic or just see what was going on.

By March 31, 1960, approximately $4.6 million will have been spent by the commission in the St. Lawrence Valley. Work will continue for a number of years.

The long-term project will include a reconstructed pioneer village (this is one of Canada's most historic areas), museums, parks, golf courses and the finest facilities for camping, swimming, boating, etc.

Another "big hit" here is the joint U. S.-Canadian power station near Cornwall, Ont. and the new lake caused by flooding the area in 1958.

At Ontario Hydro's fine new visitors' reception centre, many thousands of visitors last year were taken on tour of the power house and shown documentary films explaining the project.

All of Canada's provinces and areas have special tourist attractions. Here, by area, are some:

▶ **The West:** British Columbia and Alberta are two of Canada's most beautiful provinces, with magnificent mountains, lakes and fine parks.

B. C. is already a number one area for winter and summer sports.

Alberta, with some of the finest resorts in the world, is still primarily a summer playground.

But Olympic-standard skiing facilities are fast being developed.

▶ **The Prairies:** Saskatchewan and Manitoba both offer vast areas of northern lakeland and some of the best fishing and hunting in North America. All types of tourist facilities are developing very fast here.

▶ **Ontario:** Welcomes more than 60% of Canada's foreign visitors, has at least 250,000 inland lakes, excellent boating and swimming in summer, good skiing in winter.

Other attractions include Niagara Falls (still Canada's number one tourist attraction), Ottawa (national capital) and excellent cultural events in major cities.

▶ **Quebec:** The Laurentian mountains are among North America's top winter sports areas and are fast growing in popularity for summer holidays.

The province also boasts Canada's most cosmopolitan city (Montreal) and its most historic one (Quebec).

Other attractions are European atmosphere, excellent cuisines and superior service.

▶ **The Atlantic Provinces:** There's history, scenery and excellent opportunity for holiday sport in Canada's east coast provinces.

New Brunswick has 600 miles of ocean coast and some of the world's best salmon fishing in its various rivers.

Prince Edward Island is ringed by beaches and warm ocean.

Nova Scotia boasts spectacular, cliff-sea scenery, quaint fishing villages, many historic sites.

Newfoundland attracts fishermen and hunters.

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OVER 50 YEARS OF SERVICE

Canada's Chemical Industry

	Plants	Employees	Salaries and wages	Cost of materials used	Gross selling value of products 1958	1957
			(000's of dollars)			
Coal Tar distillation	11	528	2,622	7,857	13,087	13,664
Heavy chemicals	53	10,183	50,564	106,900	258,493	215,834
Compressed gases	58	1,481	6,314	4,028	26,071	24,281
Fertilizers	45	3,007	13,595	49,519	90,215	83,808
Medicinals and pharmaceuticals	206	8,467	31,839	44,801	154,275	140,093
Paints and varnishes	131	6,331	24,691	70,253	142,986	131,133
Soaps and washing compounds	144	3,954	17,497	55,471	131,936	118,873
Toilet preparations	84	2,566	7,871	21,015	53,693	49,838
Inks	32	998	4,231	6,972	15,500	16,912
Vegetable oils	11	611	2,612	45,810	54,253	60,951
Adhesives	29	706	2,643	7,816	14,911	13,708
Polishes and dressings	44	802	3,125	11,015	24,410	22,324
Plastics (primary only)	30	3,516	16,393	49,828	98,714	91,837
Miscellaneous*	267	12,777	54,981	113,090	222,253	220,155
TOTAL	1,145	55,927	238,978	594,375	1,300,797	1,203,411

*Includes explosives, synthetic rubber, insecticides, matches, dry colors, etc.

Chemical Industry; Peak Production

Canada's rapidly expanding chemical industry recorded another peak production year in 1959.

Although final figures are not made up yet the production increase is estimated to be in the 8%-10% range.

This would place total dollar output at close to $1,400 million.

Outlook is for another rise in 1960—although first estimates place the rise at a somewhat smaller rate, possibly around 5-7% over 1959.

This moderately slower gain is expected to arise from a slower rate of growth of the Canadian economy as a whole, and stepped-up foreign competition in certain fields.

The bulk of Canadian chemical production is closely allied to such basic industries as pulp and paper, mining and agriculture.

The outlook for at least as good a year as 1959 in these fields underwrites a continuing firm market for a broad range of chemicals.

Chemical leaders look for further sharpening of competition both at home and abroad.

The continued premium on the Canadian dollar has been an important contributing factor in this direction.

There is some hope now that the dollar might weaken somewhat during the latter part of 1960.

There are strong indications that the pace of capital expenditure in the industry is starting to pick up again after a two-year lag in the rapid postwar growth.

Although most of the new plant plans involve further expansion along already established product lines some of the projects will mean further diversification, for example, new plants to make liquid caustic soda, sodium cyanide, maleic anhydride, aluminum chloride, ethylene chloride, bisphenol-A.

The unprecedented postwar construction program involved capital expenditures of over $1,000 million in new plant and equipment.

For a time this has produced some surplus capacity in certain branches of the industry—particularly in petrochemicals.

A good part of this slack has now been taken up.

The high tempo of industry generally in this country has increased demand for most of the work-horse chemicals — sulphuric acid, nitric acid, the alkalis, industrial gases.

The rapid growth in chemical extraction in the uranium and base metal mining fields has boosted demand greatly for sulphuric acid, ammonia, nitric acid, sodium chlorate.

The heavy construction jobs on road-work, petroleum pipelines, iron ore development, the fast exploratory and development pace in oil and gas, have all boosted demand for explosives and mining chemicals.

This in turn has bolstered demand for a whole range of chemicals going into these products.

As in a good many countries the plastics section of the industry has been setting the pace with polyethylene maintaining the lead with a 20%-30%-a-year production increase.

Outlook for synthetic fibres has improved over the past year. Domestic demand is picking up for nylon, Orlon and Terylene — all made in Canada.

There has been some export business from time to time in all three fibres.

One of the highlights of the past year has been completion of the St. Lawrence Seaway and first indications of the impact of this on the Canadian chemical industry.

The Seaway is certainly tying the domestic industry much closer into the operating and marketing conditions of overseas countries.

But it is a two-way highway providing easier access for both imports and exports.

In the early years the Seaway should perhaps bring a net advantage to certain Canadian petrochemical firms and particularly those in Montreal and Canada's Chemical Valley at Sarnia, Ont.

At the same time though, it will mean stepped-up competition in the home market for certain domestic producers of heavy chemicals and fertilizer materials.

Canada has been a net importer of chemicals for many years, the amount of the adverse balance varying considerably from year to year.

In the year 1957, for instance, the preponderance of imports over exports amounted to $100 million.

The vast bulk of our imports are purchased from the U. S. with substantial amounts also coming from U. K., West Germany, France and Switzerland.

Drugs and medicinals, synthetic resins, dyestuffs, pigments have been among the biggest import categories.

The U. S. is also the largest purchaser of Canadian chemicals, followed by U. K., France, West Germany.

Synthetic rubber, fertilizers, cellulose products, medicinals are among the top export items.

Most of Canada's synthetic rubber production has been exported to overseas countries for some years now with shipments going to virtually all of the free world countries.

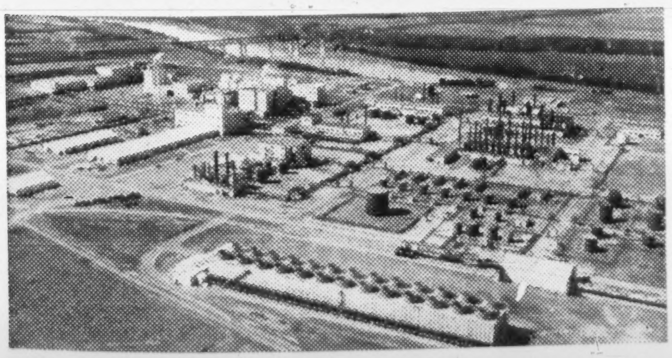
Although some of these purchasing countries are now establishing—and expanding—their own production facilities, Canada's big Crown-owned **Polymer Corp.** plant is still operating at a high level and will maintain near capacity operations throughout all of this year.

Perhaps the outstanding feature of Canada's chemical development in the last few years has been establishment and rapid growth of a petrochemical industry.

Starting with construction of one wartime rubber plant in Sarnia the industry has expanded steadily until today it encompasses more than two dozen plants representing a capital investment of over $350 million.

The steadily lengthening list of made-in-Canada products is going a long way toward reducing Canada's adverse trade balance.

The growth in petrochemicals has paralleled—and been made partly possible by—the oil and gas boom.



CANADA'S RAPIDLY expanding chemical industry looks forward to a record year.

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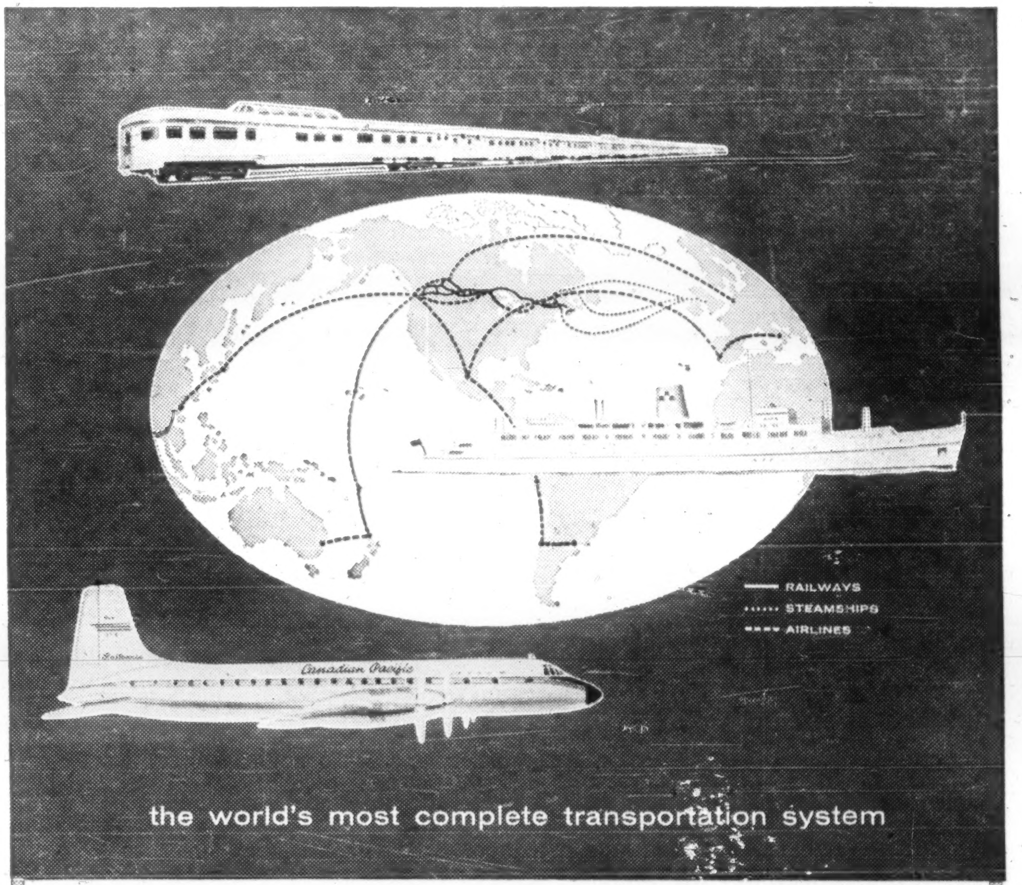

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A Rich Dollar Market

The outlook for the rich Canadian dollar market:

Rising population and personal incomes, a growing demand for a wide variety of goods.

Canadians feel that the rapid expansion of the economy in the recent past is only the first stage of 20th century growth.

Yet this market already is major one for firms around the world.

And in the near-term future: More sharp economic growth, rising living standards and levels of income per capita.

Here are key trend factors as a new decade opens:

- **An expansionary trend** marks the end of the 1950s, with present expansion based on peacetime activity.
- **Gross national product** up 7% from 1958, prices generally up 2%, industrial output about 8% higher in the year, total employment ahead by 3% in 1959 over previous year.
- **Savings of Canadians** standing at a ratio of about 8%.
- **Imports of goods** higher as living standards move up.
- **A strong dependence** by Canada on foreign resources in its growth.
- **An expected rise** in capital outlays for this year, higher output, employment and sales of consumer goods in months ahead.

A recent Royal Commission on Canada's economic prospects sees a gross national product of over $76,000 million by 1980, a population of 26.6 million.

Imports of goods into Canada are high — making the country a major importing nation.

Imported goods for consumption were valued at $5,192 million in 1958 while in first 10 months of 1959 imports rose about 9.5%.

Iron and its products dominate the importing list, followed by such categories as agricultural products, animal products, textiles and fibres, wood and paper products, nonferrous metals, nonmetallic minerals, chemicals.

Growing needs of Canadians and their ability to buy are the keys to the country's growth—their need for public facilities and for personal goods and services.

This has given the economy its big push through the 1950s and will spark it higher in 1960s.

The past year was marked by a recovery from the recession of 1957-58, with the productive ability of the country working closer to capacity. Price changes have been generally moderate.

Pay rates increased in the year and employment rose.

Labor income was up 8% in 1959 over the previous year. Personal income after tax payments was up around 7% in the year.

These figures explain a continuing rise of consumer spending, up by 6% in the year, led by durable goods.

The foreign purchases of Canadians last year were spread over a wide range of consumer, capital and producer goods. There were higher purchases of automotive products and farm implements.

Other imports have not fared so well. Imports of coal and petroleum products have lagged, due in part to less dependence by Canada on foreign sources.

In recent months there has been a greater rise in imports from overseas than from the U. S.

The U. K., for example, has increased its share of the total import market here to 10.4%, up from 9.3% in 1957.

Over the same period, the U. S. share has dropped from 71.1% to 68.3%.

European autos are now tapping the Canadian market in a major way. The proportion of such autos in Canada has jumped from 20% to 25% in the year, despite a good year for domestic production.

Imports in the commercial vehicle field are a small factor at present.

Textile, clothing and leather footwear imports have increased, and in many categories the increases have outstripped Canadian production gains.

In the past year the Canadian market for foods and beverages continued to grow.

There was also gain for equipment-producing industries. Sales of industrial and business machinery are rising, following an upturn in investment.

An important trend in the market is the rising position of the service industries.

While employment has improved in recent months from year ago, the biggest gains have occurred in the service trades.

Right now, Canada looks for an expanding market. Our economic prospects will benefit from improved outlook in the U. S.

Canadian export position appears to have improved —a key factor in maintaining domestic prosperity.

Canada covers an area of nearly four million square miles, which poses marketing problems. But this factor is affected by the larger numbers of people living in a narrow strip near the U. S. border.

The market is often considered in five regions:

▶ **The Atlantic Provinces** on the east coast.

▶ **Quebec, Ontario** in the central area.

▶ **The Prairie Provinces** to the west.

▶ **British Columbia** on the Pacific coast.

Each market area has its own individual outlook and condition—a benefit to a company launching its products in Canada.

It is common to move into these regions one at a time, since they lend themselves to this kind of plan.

The regional markets:

- **Atlantic Provinces:** Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick.

Unlike other regions, fisheries, farming and lumbering are leading industries rather than manufacturing or mining.

About 11% of Canadian population is located in these eastern provinces.

- **Quebec.** The largest in area, with nearly 30% of total population. Mainly French-speaking with its own culture and customs, it presents a sharply different market from any other in Canada.

It ranks second behind Ontario as an industrial province, accounts for about 25% of all Canadian retail sales.

- **Ontario.** The biggest market region in Canada with population of six million. It leads other provinces in manufacturing output, capital investment, holds a major place in mining.

The major sector of population is centred by city of Toronto.

- **Prairie Provinces:** Manitoba, Saskatchewan and Alberta. Vast in area (about 750,000 sq. mi.), this region once depended on grain production, now is diversifying on basis of minerals, oil and gas, manufacturing.
- **British Columbia.** Physically separated from the rest of Canada by the Rocky mountains, the coastal province bases its economy on manufacturing and natural resource development.

The population is settled most heavily around Vancouver in the southwest corner.

Consumer Prices in Canada

Consumer Prices Index 1949=100

	1957 Dec.	1958 June	1958 Dec.	1959 June	1959 Dec.
Food	118.8	122.7	122.2	119.1	122.4
Shelter	136.7	138.3	139.9	141.5	142.7
Clothing	109.9	109.7	110.5	109.2	111.4
Household operation	120.6	120.6	122.0	122.5	123.7
Other commodities & services	128.4	130.7	133.4	135.4	136.9
Total Consumer Price Index	123.1	125.1	126.2	125.9	127.9

Wholesale Prices in Canada

Wholesale Prices Index 1935=100

	1957 Dec.	1958 June	1958 Dec.	1959 June	1959 Dec.
Vegetable products	195.9	196.5	197.9	200.0	200.2
Animals & their products	235.8	257.2	253.7	252.6	247.4
Fibres, textiles	233.9	228.5	227.4	229.9	228.2
Wood & products	299.6	295.9	298.5	304.6	303.9
Iron & products	252.3	251.6	255.2	255.8	255.8
Non-metallic minerals	190.7	187.0	188.7	185.3	185.9
Non-ferrous metals	169.3	163.7	172.7	174.8	175.8
Chemicals & allied products	182.9	182.9	184.7	187.3	188.1
General Index	225.9	227.4	229.1	230.7	229.8

ONTARIO PARK

A new provincial park is being established by the Ontario government on 500 acres of land bordering the Ottawa and Carp rivers. The new park has about 8,000 ft. of shoreline and includes a 5½-acre island known as Butternut Island.

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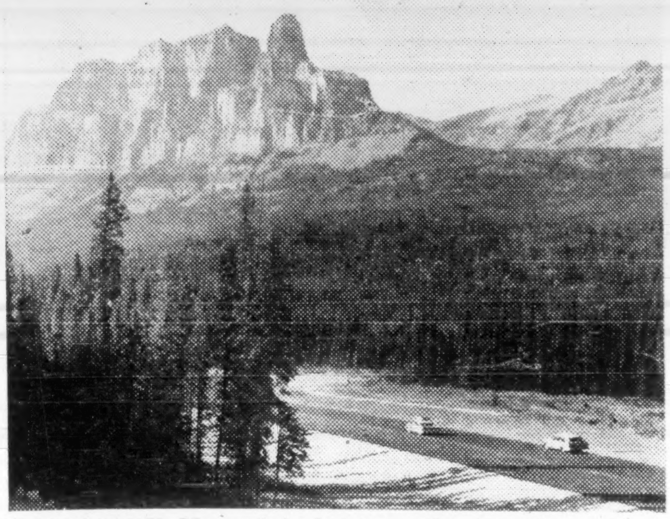
Canada's Top 10 Cities



THE ROCKY Mountains dominate the beautiful city of Vancouver, in British Columbia.

(Continued from page 56)

early pioneer days it has retained its name "Gateway to the West".

The city is important as a grain market and distributing and financial centre.

With increasing development of Canada's northern territories around the Hudson Bay, Winnipeg is also becoming a "Gateway to the North".

It is already linked with Churchill on the Hudson Bay by railway.

Winnipeg has an extensive wholesale trade and a growing, diversified industry.

A number of smaller communities surrounding Winnipeg have retained their French character from the days when the early French settlers came from Quebec and New England to the Prairies.

EDMONTON

Edmonton (population 259,200) is the capital of Alberta, situated on the banks of the North Saskatchewan River, in the heart of one of the richest agricultural regions in the country.

Postwar discoveries of large quantities of oil and natural gas have made Edmonton the fastest-growing city in Canada.

It is the beginning of the cross-country pipeline system for crude oil and natural gas which flows west to Vancouver and east to the Great Lakes.

Edmonton is also the most important bridgehead between the North and the South.

Prospectors set out from Edmonton in search of new mineral wealth.

Uranium, gold and other metals are daily being received in Edmonton, by air, the Alaska Highway, or the railway-road-and-river system to Great Slave Lake and the Mackenzie River.

Edmonton has an important university and a new cultural centre where the world's greatest orchestras and theatre groups perform in an atmosphere that resembles in some respects the Hollywood versions of Texas in the days of the great oil rush.

HAMILTON

Hamilton (population 259,100) is Canada's largest port in terms of tonnage handled.

Because of its location at the western end of Lake Ontario, Hamilton is ideally equipped for industrial development.

It has been a booming city industrially, ever since the first coal from Lake Erie, iron ore from Lake Superior and limestone from the Niagara escarpment began to supply local industry with abundant raw materials.

Other Hamilton industries include wire, heavy machinery, electrical apparatus, textiles, autos and chemicals.

The city is linked with the heaviest populated areas of Canada and the U. S. by railroads and highways. Hamilton supports some 500 manufacturing plants.

OTTAWA

Ottawa (population 242,600), situated in the province of Ontario, is the federal capital.

The city's importance does not derive only from government business.

It is also the centre of the forest products industry and hydro-electric power in the Ottawa River valley.

More than 40,000 residents of Ottawa and the neighboring, largely French-speaking community of Hull, are civil servants.

Canadians of French origin in Ottawa are 30% of the total population. This is about the same ratio as in Canada as a whole.

The city is actively engaged, together with adjacent municipalities, in a long-range program to develop the beauty of the federal capital.

Ottawa has an important art gallery and a permanent orchestra as well as a university and the nation's largest centre for scientific research.

CALGARY

Calgary (population 208,200), in the province of Alberta, vies with Edmonton for the title, "Oil Capital of Canada."

Many of the large U. S. and Canadian oil companies have offices in Calgary. The exploitation of known resources and the exploration of promising areas is largely directed from Calgary.

Apart from its important oil wealth Calgary's good fortune also includes huge agricultural operations.

Its first industries were flour mills, meat-packing plants, lumber mills and wood-working plants. These still remain important.

Calgary has also retained its cowboy flavor. The annual Calgary Stampede is a week-long western festival recalling all the color and pageantry of the old west

QUEBEC

Quebec (population 176,800) is the oldest city in Canada and capital of Quebec province.

It is the heart and soul of French culture in Canada.

Its founding father, Samuel de Champlain, established Quebec City in 1608, helped by the Grey Nuns and the Jesuit Fathers who came from France to work among the Indians.

An ancient citadel dominates many old relics of this only fortified city in North America.

Situated on the north shore of the St. Lawrence, it is an important trans-Atlantic seaport. The harbor can berth 31 ships, has a dozen transit sheds and a 4,000,000 bu. grain elevator.

Its industries include leather and fur goods, clothing, food products, pulp and paper and paper products.

Laval University of Quebec is regarded as one of the greatest centres of French thought.

WINDSOR

Windsor (population 124,000), in southern Ontario, is just across the river from Detroit, the main U. S. automotive centre.

Windsor is connected with Detroit in the U. S. state of Michigan by a vehicular tunnel, railroad tunnel, railroad car ferries and a suspension bridge.

As a port it gives access to the Atlantic seaways and the Great Lakes.

Windsor is the terminus of five railroads, a transcontinental airline and half a dozen provincial highways.

In addition to the automobile industry, Windsor has breweries, pharmaceutical and food industries.

QUEBEC IS THE oldest city in Canada and the heart of French culture.

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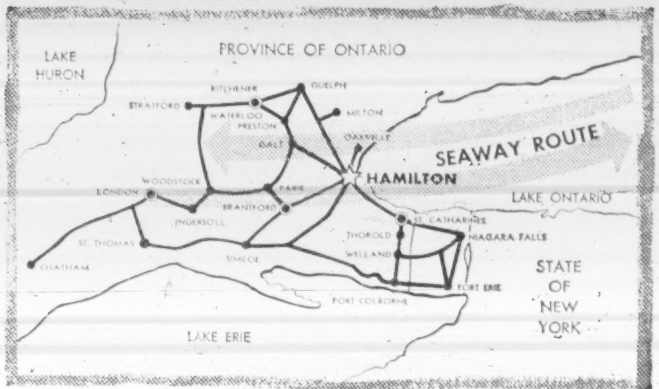

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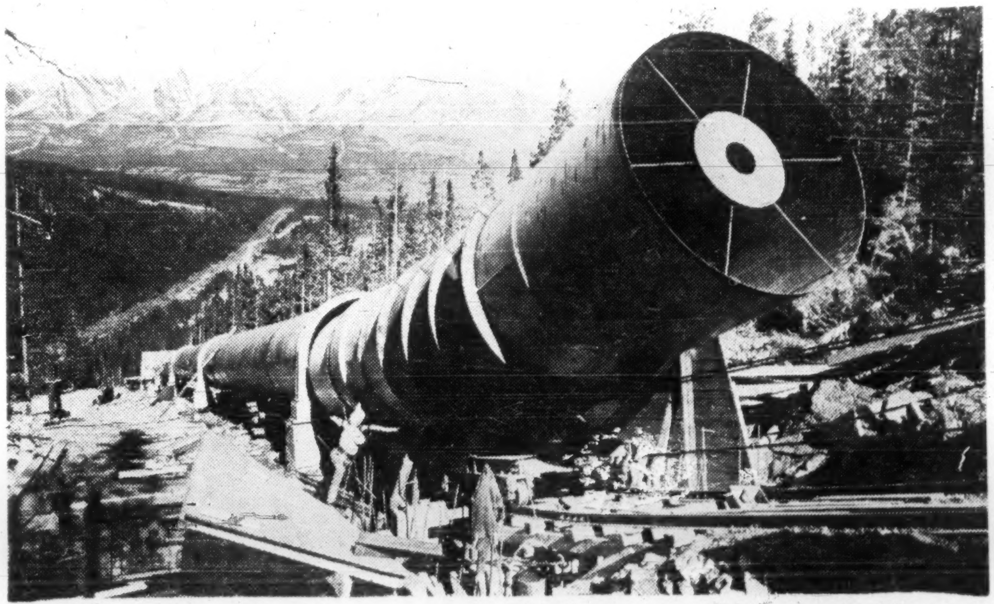

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OTTAWA IS THE capital city of Canada. But the city's importance doesn't just rely on government business. It is also the centre of the forest products industry and hydro-electric power in the Ottawa River valley.

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Canada's Top 10 Cities

Canada's oldest city is Quebec, founded in the very early years of the 17th century by French settlers and missionaries. One of the youngest cities, founded since 1950 is Kitimat, 600 miles north of Vancouver along the Pacific coast in British Columbia.

Between the two lies all of the Canadian nation. And the two symbolize Canada's early beginnings on a few acres of snow, as Voltaire put it, and Canada-today with rapid development of its fabulous natural wealth and resources.

MONTREAL

Montreal (population, 1959 estimate: 1,826,200) is Canada's largest city, one of the greatest seaports in the world, and after Paris, the largest French-speaking city in the world.

Montreal Island where the Ottawa River flows into the St. Lawrence estuary, contains 10 mi. of berthing facilities with more than 100 berths.

It has storage of 3,000,000 cu. ft. capacity for 15 million bu. of grain in elevators and tank storage for 75 million gal. of oil.

Ice closes the port from mid-December to mid-April.

Opening of the St. Lawrence Seaway last summer has lent Montreal additional importance.

Five major oil companies in the city's area have a total crude oil refining capacity of 300,000 bbl. per day.

Cosmopolitan Montreal is an important financial centre, housing the head offices of five banks.

It has an international airport where 10 international air lines and over a dozen smaller carriers come and go to the tune of more than 100 landings per day.

The city is also one of North America's leading industrial centres. It has railroad, aviation, metal, leather, textile, beer, chemical and tobacco manufacturing operations.

Some 45 foreign consulates and other foreign government representatives are established in Montreal and help to keep the city in the centre of world affairs.

Montreal has two great universities and a rich cultural movement with English and French influences both prominently represented.

TORONTO

Toronto (Metropolitan population, 1959 estimate: 1,490,200) is the principal member of a federation of 13 adjacent municipalities forming metropolitan Toronto.

The city is the capital of Ontario, with a population of six million.

It stretches out along 10 mi. of the northwest shore of Lake Ontario. It is one of the busiest ports in the Great Lakes area. The St. Lawrence Seaway will greatly increase the importance of Toronto's harbor.

Toronto's Stock Exchange in 1959 traded a volume of stocks valued at $1,860 million. Its trade in mining stock is the busiest in the world.

Five banks and a large number of insurance and trust companies maintain headquarters in Toronto.

Excellent transportation and electric power have attracted several thousand manufacturing industries to the Toronto region, and have made it the nation's leading wholesale distribution centre.

Toronto is also a vital key between Canada and the U. S., Canada's most important trading partner.

Torontonians enjoy living in a cultural centre, with excellent universities, a permanent orchestra rated among the world's first 10, theatres, publishing houses and many important churches of all the world's denominations.

TORONTO IS the busiest port in the Great Lakes area. The Toronto Stock Exchange trades in more mining stock than any other exchange in the world.

VANCOUVER

Vancouver (Metropolitan population, 1959 estimate: 740,000), is the largest seaport on Canada's Pacific coast.

It is also important as the terminal for the two trans-Canada railways. And its airport holds a key position in trans-Polar and Pacific air traffic.

British Columbia's lumber and pulp-and-paper industry is directed from Vancouver. The province's huge power industry also has its headquarters there.

Vancouver has a flourishing fishing and canning industry.

The city is rapidly gaining importance as a financial, industrial and commercial centre.

Oil and natural gas reach Vancouver from the Prairies, east of the Rocky Mountains, via pipelines.

Situated between the mountains and the ocean, the city enjoys a mild climate. Sports-minded Vancouverites have the choice of skiing or sea bathing much of the year.

The annual Vancouver International Festival has become a traditional cultural event with a world-wide reputation.

It is generally agreed that Vancouver has some of North America's best examples of modern architecture.

But the city's bustling growth and youthful appearance have not wiped out the folklore of the Indians, the country's oldest inhabitants.

WINNIPEG

Winnipeg (population 262,500) is Canada's largest city in the Prairie Provinces and the capital of Manitoba. From

(Continued on page 57)

HAMILTON LIES at the western end of Lake Ontario and handles more tonnage than any other Canadian port. It is also a booming city industrially.

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How Canadians Are Governed

As a federal state governing powers are split between Ottawa and 10 provinces . . .

Canada is a member of the Commonwealth, and a democratic monarchy, governed very much as the United Kingdom is.

Constitutionally, it is a federal state. Governing powers are divided up between a federal government, and 10 "provincial" or state-type governments.

Generally speaking, the 10 provincial governments have jurisdiction over "property and civil rights" of their citizens, plus control of natural resources, roads, and any kind of "works or undertakings" which don't extend across provincial boundaries.

All other power is in the hands of the federal government.

Queen Elizabeth II is Queen of Canada, as well as of the U.K. Her representative in Canada, Governor General George Vanier, is the official head of the Canadian state.

The active head is the Prime Minister, John Diefenbaker. He is leader of the Progressive Conservative party in the House of Commons and chief of the Canadian cabinet.

The cabinet is a committee chosen by Mr. Diefenbaker from among the members of this party in the House of Commons.

Each member of this committee is assigned responsibility for administration of a government department.

Legally, the government of Canada is carried on in the name of the "Governor General in Council", i.e., the governor general and the cabinet. Thus, the cabinet links the executive authority of the state (embodied in Mr. Vanier) with the legislative authority (embodied in the House of Commons).

The Commons has 265 members — 208 members of Mr. Diefenbaker's party; 49 Liberals and eight members of the CCF (Co-operative Commonwealth Federation).

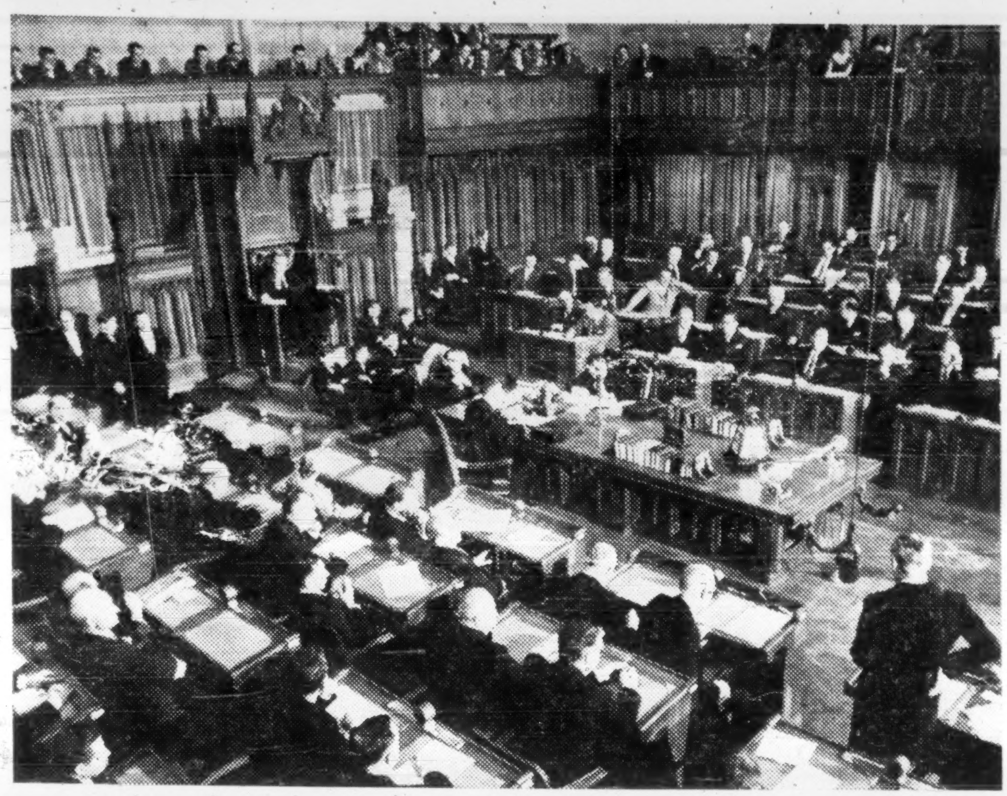
The Conservatives are now at about the midpoint of their five-year term of office.

The present government has held office since June, 1957. An election in March, 1958, greatly increased their representation in the Commons and thus their strength as a party.

Under Canadian law, the government must call an election by March, 1963. Few governments hold on until the last minute before calling an election — thus the Conservatives are expected to choose the most favorable time in the eight or nine months before the deadline. That would mean a Canadian election sometime in the summer or fall of 1962.

The Liberal party is led by Hon. Lester B. Pearson, former Liberal minister of external affairs. They are the official opposition, and, in the election, will try to supplant the Diefenbaker regime.

The CCF is a moderate Socialist party, led, in the Commons, by Hazen Argue, a farmer from one of the Western provinces, Saskatchewan. The CCF program calls for public ownership and more aid for farmers. Two years ago, this party entered into a political alliance with the Canadian Labor Congress, the largest labor federation in Canada; this alliance is expected to produce a "farmer-labor" party some time in the next 12 months.



THE HOUSE of Commons has 265 members—208 government, 49 Opposition Liberal Party, eight CCF (Co-Operative Commonwealth Federation) Party.

The history of Canada falls conveniently into three periods:

- **French settlement** 1604-1763.
- **British rule** 1763-1867.
- **Canadian nationhood** 1867 to the present.

The first European settlers in North America were French; and the first settlement, founded by Samuel de Champlain, was in Nova Scotia, at Annapolis. Later, in 1608, Champlain founded a habitation at Quebec in the St. Lawrence River gulf.

Within the next century, French explorers pushed 3,000 miles westward to the Rocky Mountains, and 2,500 miles southward to the Gulf of Mexico, claiming all the land they saw in the name of the French King.

The French established settlements all along the St. Lawrence River, based on local agriculture and a thriving fur trade.

But right from the beginning, the French colonies fought against the English colonies along what is now the eastern seaboard of the U.S. Both groups of settlers used Indian allies; and the two groups fought innumerable cruel and bloody skirmishes.

A century and a half of warfare ended in the surrender of Quebec, in 1759, to a British general.

The surrender was confirmed in 1753 by a treaty which gave the British effective control over 60,000 French settlers. In all of Canada there were at the time only a few thousand Englishmen, mostly traders.

The British set the pattern for their attempt to govern the French settlers by the Quebec Act of 1774, an act of the Imperial Parliament, which established French civil law in Quebec, and confirmed the privileges of the Roman Catholic Church.

By this piece of legislation, the interests of the French land-owning classes and of the Church were linked with the British cause; and when the English colonies on the eastern seaboard revolted in 1776-83, the French settlers helped to defend Canada in the name of the British crown.

The American revolution influenced the destiny of Canada in another way: It gave the colony 40,000 English-speaking settlers who fled from the eastern seaboard colonies to what is now Ontario and the Maritime provinces.

Between 1815 and 1867, the British tried two constitutional experiments in Canada.

The first was to provide separate legislatures for Ontario and Quebec; and it ended in 1840 as a result of armed outbreaks in both provinces. Then a single legislature for both Ontario and Quebec was tried. This experiment was unsuccessful, because French and English couldn't agree, and legislative sessions ended too often in deadlock.

The victory of the Union side in American Civil War 1861-65 made it apparent that some other form of Canadian government had to be tried — otherwise it was feared that the victorious North would try to annex Canada to the U. S.

In 1866 the U. K. Parliament passed the British North America Act, bringing the Canadian government into existence in its present form (if not scope). This act, in effect, is the Canadian constitution.

The union in 1867 consisted of four provinces — Ontario and Quebec, and the seaboard provinces of New Brunswick and Nova Scotia. Onrushing western settlement added three more between 1870 and 1905 —Manitoba, Alberta and Saskatchewan.

Prince Edward Island, off the east coast, entered the union in 1873; British Columbia in 1871. Newfoundland became a Canadian province in 1950.

Atomic Power Plant in 1961

Canada has two nuclear power projects under construction.

Both are directed to the need for large base load stations which will provide economic nuclear power for those regions in Canada which have fully developed their hydro-electric sites.

The two projects are:

- **The prototype Nuclear Power Demonstration station (NPD).**
- **A full-scale power plant** at Douglas Point on the east shore of Lake Huron.

The NPD station is being built by the Crown company, **Atomic Energy of Canada Ltd.,** in co-operation with the **Hydro-Electric Power Commission of Ontario** and a private company, the **Canadian General Electric Co.**

The site:

Rolphton, Ont., about 12 mi. up the Ottawa River from Canada's main atomic research centre at Chalk River.

When it goes into operation in 1961, this plant will send 20,000 kw of electricity into Ontario Hydro's power distribution system.

It will be fueled with natural uranium and will be moderated (that is, the neutrons slowed) and cooled by heavy water.

A.E.C.L.'s Nuclear Power Plant Division in Toronto is working on the detailed design and the procurement of equipment for the large Douglas Point power station.

It has an NPD-type reactor known as CANDU (Canadian Deuterium Uranium).

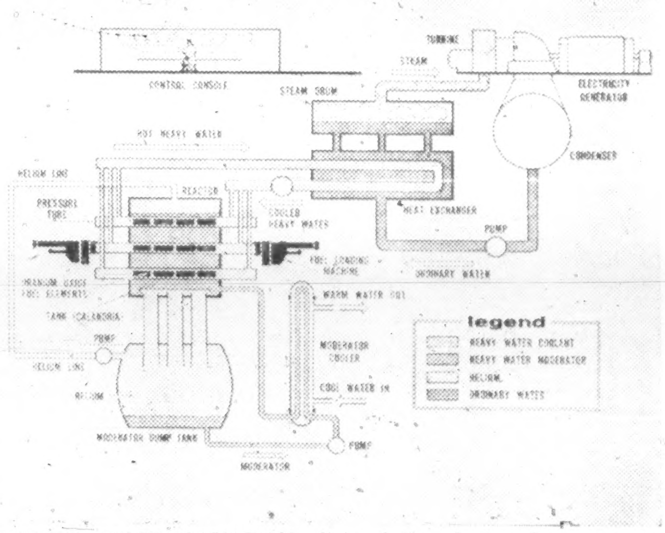
In 1959 the government approved the construction by A.E.C.L. of this first large base load station, which will produce 200,000 kw of electricity.

The feature of both power stations that makes them different from any other reactors in the world is that the fuel and coolant are carried in pressure tubes, horizontally arranged in much the same way as the tubes in the boiler of a steam locomotive.

There is thus no need to go to the large capital expense of building a pressure vessel to hold the moderator.

The reactors will be refueled while they operate under full power.

A fueling machine will be coupled to each end of a pressure tube and one machine inserts a new rod while the other receives a used rod.



HERE'S HOW CANADA'S first full-scale nuclear power station will turn the heat generated by an atomic pile into electricity.

Fueling will be "bi-directional" that is, adjacent pressure tubes have rods fed through in opposite directions.

By this fueling system and the use of short fuel rods in multiple bundles per channel, it is possible to have rods that have been in the reactor a long time surrounded by others that are fresh.

This permits a high "burn-up" of the uranium and low fueling costs.

It is hoped to produce electricity at a price around six mills per kilowatt, possibly the cheapest nuclear power in the world.

To meet the requirements for power stations of about the 100,000 kw size, A.E.C.L. has commissioned a design study and associated development work on an organic-cooled, power reactor known as OCDRE (Organic Cooled Deuterium-moderated Reactor Experiment).

The objects of the study include the determination of:

- **Fuel costs** resulting from the use of organic liquids rather than heavy water as a coolant.
- **The cost of continual replacement** of organic liquids affected by radiation.
- **Effects of corrosion** on materials, and other problems.

All these nuclear power plants use natural uranium.

Natural Gas

Sales Expand

Natural gas is in a big new growth phase in Canada.

The discovery of steadily mounting gas reserves in Alberta and British Columbia—practically all of it uncovered in the search for oil — has sparked a multi-million dollar gas development program.

This involves construction of gathering, transmission and utility distribution systems, gas processing plants and field development work.

The spreading pipeline network has funneled gas into an ever-widening market in Canada and into a potential big export market in the U. S.

Sales have been showing a buoyant growth trend rising at a fast 25-35%-a-year rate.

If big new export proposals get federal government approval gas production will jump again sharply and export volume actually outpace domestic consumption.

The newly formed National Energy Board has heard six applications seeking permission to export a total of some 850 million cu. ft. of gas daily into the U. S.

Approval on these projects would touch off a huge new gas program in Western Canada estimated to cost around $500-700 million over the next five years.

The approval for export could mean:

- **All-important revenue relief** to dozens of hard-pressed oil firms who up to now have had all their eggs in one basket.
- **Big new incentive** for gas exploration in Western Canada.
- **Increased activity** in associated industries—petrochemicals, drilling equipment, steel pipe manufacture.
- **Improved gas transmission** and gas gathering efficiencies arising from heavier pipeline volume.
- **An estimated $100 million-a-year** reduction in Canada's adverse trade balance with the U. S.

In considering the export applications the government is concerned chiefly with two factors:

- **Adequacy of gas supply** for long-term domestic requirements.
- **Relative price** of gas being sold to U. S. and domestic purchasers.

The most recent estimate on gas reserves in the province made by the Alberta Oil & Gas Conservation Board places the figure at 27,700,000 million cu. ft. as at Sept. 31, 1959.

This is an increase of 2,100,000 million cu. ft. over the past year. At the same time the board stated that an additional 4,400,000 million cu. ft. at least would be proved up by Sept. 30, 1961.

Gas authorities are fully confident that the average annual increase in Alberta reserves of over 2,000,000 million cu. ft. annually will at least hold for the next 10 to 15 years.

The National Energy Board's decision will be considerably influenced by this anticipated continued growth pace in reserves.

The whole gas reserves picture has been greatly brightened by two exciting finds last winter in the northeastern corner of B. C.

Although only meagre details were released at the time, the initial open flow potentials were said to indicate two of the largest "gassers" on the continent.

This whole stretch from Fort Nelson right up into the Northwest Territories is the hottest exploration area on the continent.

Over two dozen wildcat wells will be put down and important gas history could be made.

The major gas export proposals are:

- **Plans of Trans-Canada Pipe Lines** to export up to 204 million cu. ft. of gas daily into the U. S. Midwest at a point near Emerson on the Manitoba border.

Trans-Canada is also seeking permission to export to the same extent into New York state from a point near Niagara Falls, Ont.

This would be gas surplus to the entire Canadian requirement on any given day.

- **Alberta & Southern Gas Co.** wants to export up to 450 million cu. ft. of gas daily into the Pacific Northwest for use in California.
- **Westcoast Transmission Co.** serving B. C. and the U. S. Pacific Northwest market is seeking permission to increase export to the U. S. by an additional 150 million cu. ft. daily.

This gas would be taken out of the southern end of Alberta.

Natural gas is now accounting for only some 6% of the total Canadian energy demand.

But its share is growing rapidly with the spreading pipelines.

By 1980 gas's share will have expanded to around 25% of a much greater energy load, a top government energy authority says.

In that same year oil is estimated to account for 45% (is now 43%), electricity 11% (now 8%), coal 16% (now 38%).

There are some 1.1 million gas customers in Canada now and sales in 1959 reached a new peak of 267,829 million cu. ft.

Although enjoying a healthy price margin over competitive fuels in Western Canada, close to the producing fields, it faces increasingly sharp competition from the other fuels the further east it moves.

As gas requirements steadily expand more and more fields in Alberta and B. C. will have to be hitched into the growing gathering system.

Many of these fields produce sour, wet gas — high in sulphur and liquid hydrocarbons.

These will be largely removed from these fields in the form of propane, butane, natural gasoline and sulphur before the gas is delivered to pipeline for fuel.

The mounting supply of these byproducts is seen providing a real marketing headache over the next few years.

The only answer appears to be large-scale export.

This would involve either very sharply reduced rail freight rates or construction of special pipeline facilities to move the products to markets.

Natural Gas in Canada

PRODUCTION OF NATURAL GAS* (Million cu. ft.)

1957	1958	1959 (est.)
220,007	336,537	409,683

*Proven reserves 27,000,000 million cu. ft.

HUNTER'S GUIDE

Detailed guide to hunting in Saskatchewan is available from the Tourist Branch, Department of Travel and Information, Legislative Annex, Regina, Sask. Booklet contains valuable information on "what to . . .", "where to . . .", and "how to hunt" birds and big game in the province. Lists license, bag limit and firearms regulations, areas and seasons for various types of game and general information—transportation, accommodation, outfitters and guides, recommended clothes and equipment, etc.

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Saskatchewan

Pop. 907,000.
251,700 sq. miles.
Per capita personal income: $1,245.
Value of output (in $ millions): Agriculture, 484; Manufacturing, 340; Construction, 375; Mining, 214.
Capital and largest city: Regina.
To Montreal: 1,714 rail miles, 1½ days; By air: 1,617 miles.

T. C. DOUGLAS
Premier of Saskatchewan

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Saskatchewan

Wheat, Minerals, Oil

Saskatchewan enjoyed the most productive year in its history in 1959.

Gross value of all commodities produced is estimated at $1,431.6 million, compared with $1,394.2 million in 1958.

Of this production, about 90 million bu. of wheat still lies under the snow as a result of the storms late last fall.

In spite of this, however, net farm income for the year is estimated at $245 million, about 7.5% higher than 1958.

All agricultural production last year is estimated in value at $484 million, or roughly one third the value of total commodity production.

This is a far cry from the Saskatchewan of a decade ago when the province was still an unsheltered wheat economy always dangerously subject to the vagaries of the weather.

Mainly responsible is the rapid growth in mineral production and manufacturing.

Last year the province produced minerals valued at $213,744,000, compared with $209,941,000 in 1958.

It is estimated that this production will rise to $234,700,000 this year.

The record for manufacturing is equally impressive.

In 1959 output from this source had an estimated value of $340 million indicating substantial growth over the 1958 figure of $318.8 million.

In 1960, it is estimated, manufacturing will be worth $356 million.

Oil was the largest single wealth-producer for the province in 1959 with a value estimated at $105 million.

This was followed by uranium valued at $55 million and copper, $21.5 million.

The copper was taken from the Flin Flon orebody on the Saskatchewan side of the Manitoba border.

Coal accounted for about $3 million and natural gas about $4.7 million.

Sodium sulphate and other industrial minerals made up the balance.

Growth in manufacturing is illustrated by the year's record alone.

In Regina, for example, eight plants were under construction or starting production during 1959.

The largest of these, **Interprovincial Steel's** $10 million plant should be into production by the middle of next summer.

Next largest is the steel fabricating plant now being erected by **Dominion Bridge Co.** at a cost of about $1 million.

During the year **Martin Paper Products** opened a $750,000 plant for manufacturing corrugated containers.

Liquid Carbonic Canadian Corp. got started on a plant for producing industrial gases, mainly oxygen.

Smaller enterprises included **Prairie Metal Products** which will manufacture culverts, truck tanks, etc. in a plant costing about $250,000.

Industries ranging from $100,000 to $200,000 which got under way during the year will engage in vegetable processing, boat building and the manufacture of castings and pipe fittings.

Saskatoon had an interesting year, too.

Its largest project, a feed mill, was built at a cost of $1 million by **Federated Co-operatives, Ltd.**

Others who entered the city: **Western Cabinet Co., Coca Cola Co., Patrick Construction Co., Gevelot of Canada** (shot gun shells) **Dash Industries Ltd.** (trash burners) and **A. I. M. Steel Co.** (fabricating).

Moose Jaw had one large entry into its industrial life: **Mid West Metal Products** with a $500,000 plant to manufacture metal buildings.

Outstanding development at a country point was **Wizewood Co.'s** start on construction of a $1 million wafer board plant at Hudson Bay.

In the southeast, the **Nottingham Gas** plant, costing about $1, started production as a processor of flare gas.

Other small cities and towns in which secondary industries were started included Estevan, Yorkton, Assiniboia, and Rosthern.

A significant index of the province's economic health was the volume of retail trade.

In 1959 this amounted to $934,391,962, a new all-time high, which compared with the previous high of $902,000,000 reached in 1958.

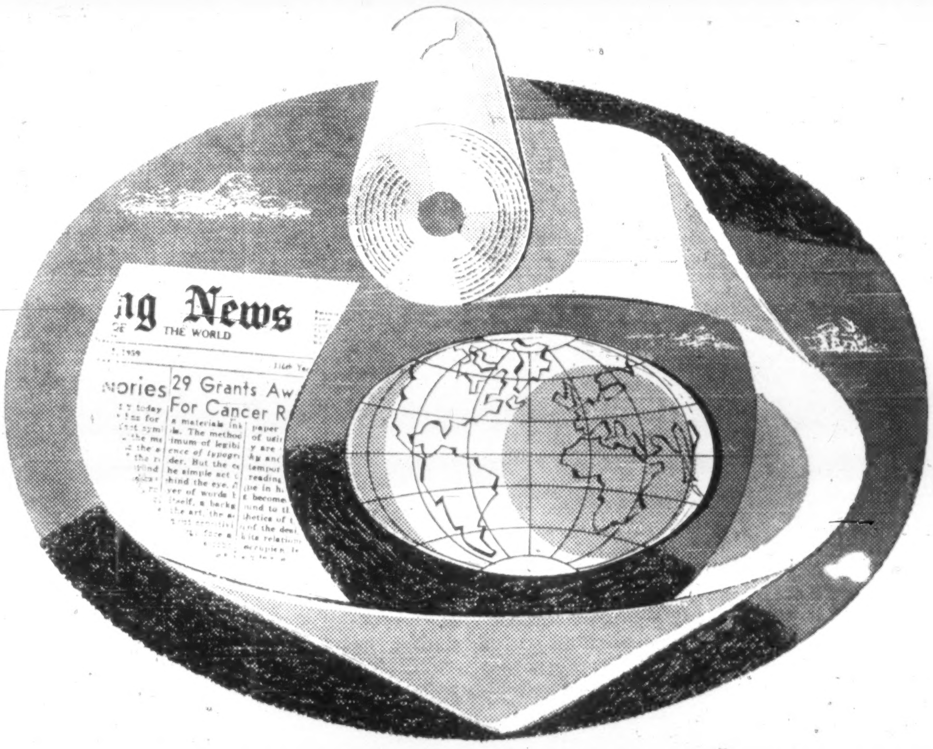
Construction held up close to the 1958 level with a value of $375 million, down only about $1 million, while capital investment also showed a small drop at $610 million.

How did this all work out for the individual?

It is estimated that personal income during the year was up 6% over 1958 at $1,174,000.

In 1959 Saskatchewan took a long step forward toward the balanced economy it hopes ultimately to enjoy.

SASKATCHEWAN'S capital city, Regina, is an example of the province's growth.



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Prince Edward Island

Pop. 103,000.
2,184 sq. miles.
Per capita personal income: $860.
Value of output (in $ millions): Agriculture, 29; Manufacturing, 30; Construction, 22; Fishing, 3.
Capital and largest city: Charlottetown.
To Montreal: 777 rail miles, 25 hrs.; By air: 536 miles.

Prince Edward Island

'Million-Acre Farm'

Prince Edward Island, smallest of the 10 provinces of Canada, is sometimes called "the million-acre farm."

It is only 140 mi. long and from four to 40 mi. wide. Total area is 2,184 sq. mi. and 85% of the land is under cultivation.

Population is about 100,000 and has remained relatively stable since 1900.

There has been a small increase in the last few years.

WALTER R. SHAW
Premier of P.E.I.

The economy is based on agriculture, fishing and tourism.

Top crop is potatoes, both seed and table stock, sold throughout Canada, the U. S., British West Indies and parts of South America.

More than half of Canada's seed potatoes come from Prince Edward Island.

In 1958 the potato crop was about 8,000,000 bu.

The market was not as difficult as in the previous year when the crop was at a record high, but the government had to issue support cheques.

The 1959 crop was reduced to about 6.5 million bu., but the prices were much better.

Fishing is the second largest industry.

The annual lobster catch was up last year on the south side but went down slightly on the north side of the island.

Draggers are becoming more popular with Prince Edward Island fishermen.

In 1951 only one dragger was operated.

At the end of 1958, 13 were being operated. Three more were added during 1959 and it is expected that six more will be introduced this year. Another famous product from the Island's bountiful sea harvest is the internationally known Malpeque oyster from Malpeque Bay.

Annual production runs around 2.2 million lb. Value last year was $220,000, up $20,000 from 1958.

Prince Edward Island oysters are playing an important role in attempts to revive the disease-ravaged oyster industry of Nova Scotia and New Brunswick.

For the past three years island oysters have been seeded in the stricken beds in the hopes that they will impart disease-resisting qualities to hard-hit crops.

Several decades ago, island oysters were afflicted with a similar disease but survived.

As a result P. E. I. oysters developed immunity.

It is expected the experiment in New Brunswick and Nova Scotia will take quite a few years before proving itself and island oysters will continue to supply the cure.

Another important segment of the island's economy lies in dairy products and bacon hogs.

Prince Edward Island leads all of Canada in percentage of Grade A carcasses and the number of Yorkshire hogs increases annually.

Hog population is between 105,000 and 110,000 with 90,000 being sold through packing plants.

The cattle population remains steady at 100,000, of which dairy types predominate although there is a new trend toward beef growing.

The sheep-farming industry also plays an important role in the island's economy.

Cross-breeding experiments have been carried out and P. E. I. flocks, which have increased during 1959, now support two woolen mills which produce blankets.

In 1951 there were only 2,776 tractors in the province compared with 21,160 horses.

By the end of 1958 the number of tractors had increased by more than 2,000 while the horse population had decreased by almost 9,000. This trend continued during 1959.

Though the percentage of woodland is limited, island farmers had a $300,000 pulpwood industry in 1959, with lumber production amounting to about the same value.

Some $15,000 was realized on the sale of Christmas trees.

Brussels sprouts, cauliflower and broccoli are relatively new crops. Farmers are reported to have received as high as $900 for one acre of broccoli.

PRINCE EDWARD Island is the smallest province in Canada. Here is the capital — Charlottetown.

Prince Edward Island has all but given up hope that oil may be discovered.

Imperial Oil Ltd. crews worked for a year on P. E. I. but abandoned three wells at depths of 9,714 ft., 4,622 ft. and 9,081 ft.

A new activity is tobacco growing.

Under qualified supervision 18 acres of tobacco plants were experimentally grown in 1959.

Five acres did not mature properly.

The other 13 acres produced 14,800 lb.

Representatives of **Imperial Tobacco Co.** were pleased with the quality of the tobacco grown.

Taking into consideration almost complete lack of sunshine during 23 days of last August, this project seems to have a bright future.

FIND BERYLLIUM

Deposits of space-age beryllium-bearing ore — possibly enough to justify private capital in doing exploration work — have been discovered along Nova Scotia's South Shore from Mahone Bay to Shelburne.

Deposits of the ore have been found in more than a dozen places by department of mines geologists.

While some of the deposits did not appear very extensive, others were worth following up, said government officials.

Geologists exploring for the mineral in this province have been using a "beryllometer" developed at University of Manitoba.

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Located in northwestern Toronto, the development is ideally situated for all forms of transportation. A major east-west highway (#401) is within three miles, while a north-south highway (#400) is directly accessible. A railway main line on the property is available for internal spurs. Airport facilities (Malton) for both cargo and passengers are within seven miles. Lake Ontario shipping at Toronto harbor is only 11 miles away.

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New Brunswick

Pop. 595,000.
27,985 sq. miles.
Per capita personal income: $919.
Value of output (in $ millions): Agriculture, 46; Manufacturing, 312; Construction, 153; Mining, 18.
Largest city: Saint John; Capital: Fredericton.
To Montreal: 562 rail miles, overnight; By air: 418 miles.

New Brunswick

Many New Industries

With capital spending well in excess of $200 million the Province of New Brunswick gives every indication that it is a strong part of the upsurge in development which has characterized Canada since World War II.

This small province on the east coast has recently been showing signs that it is in a period of record economic expansion.

Capital amounts which have been expended have found their way into a diversification of enterprise much of which is public spending.

HUGH J. FLEMMING
Premier of New Brunswick

However, a substantial amount has gone into expansion of varied industrial enterprises.

New capital investment for the year is estimated at $180 million.

Long dependent upon the forest, the farm and the sea for a great part of its manufactured production, New Brunswick has now entered many new fields.

The forest however is still the source of almost one half of the province's manufactured goods and about two thirds of this amount is pulp and paper products from the seven mills located at various points in the province.

The year 1959 saw an expansion in pulp output and the coming into operation of a new paper making operation in Saint John.

The lumber industry, traditionally one of New Brunswick's oldest, recovered almost entirely from declining output in 1958 and the increased cut brought levels up to almost record highs.

Significant new development in manufacturing is highlighted by the construction of a $50 million oil refinery in Saint John by **Irving Refining Ltd.**

Canadian General Electric Co. is now working on plans for the development of a new plant in Sackville, N.B.

The company will manufacture domestic transformers to supply the Atlantic Provinces market.

The fishing industry had a successful year.

Increased processing facilities were developed in late 1958 on the Bay of Fundy coast and these together with an increased number of fishing vessels built during the year helped to increase New Brunswick's fish output.

Catches are chiefly cod, haddock and pollock in the ground fish species, lobsters, herring and sardines.

New Brunswick cannot be said to be a highly developed agricultural area but the province is renowned for the quality of its potatoes, both seed and table varieties.

Most of these are grown in the northwestern portion of the province and find their way into many of the world's markets.

More and more food processing operations are under way in the province and a highly successful frozen food industry has been started which is developing a diversification of vegetable crops in a hitherto entirely potato country.

Long regarded as an area with poor power facilities, New Brunswick has in recent years taken steps to improve this situation and is now in a position to offer large blocks of electric power to manufacturers at favorable rates.

Completion of the Beechwood Hydro Development Project on the Saint John River in 1958 added 90,000 hp. to the output of the New Brunswick Electric Power Commission.

Now under development is a 50,000 kw thermal plant in Saint John which will contribute largely to the requirements of the oil refinery and proposed paper industry in that area.

It should start generating electric power in 1961.

Large amounts of capital have gone into the provision of new highways throughout the province.

Expenditures during 1959 amounted to more than $30 million in the construction of new roads and in improving of existing routes.

The rapid increase in shipping by truck in the province during the past two or three years has been marked.

Following the collapse of prices on the world markets for base metals, development work on the huge ore bodies of lead, zinc and copper which were discovered in New Brunswick in the early fifties almost came to a stop during 1957 and 1958.

In 1959, however, renewed activity was seen in some of these mining areas and **Consolidated Mining and Smelting Co.** carried out a program of shaft-sinking on its property west of Bathurst.

HALIFAX IS THE biggest port in the Maritimes. The province's economy depends mainly on exports.

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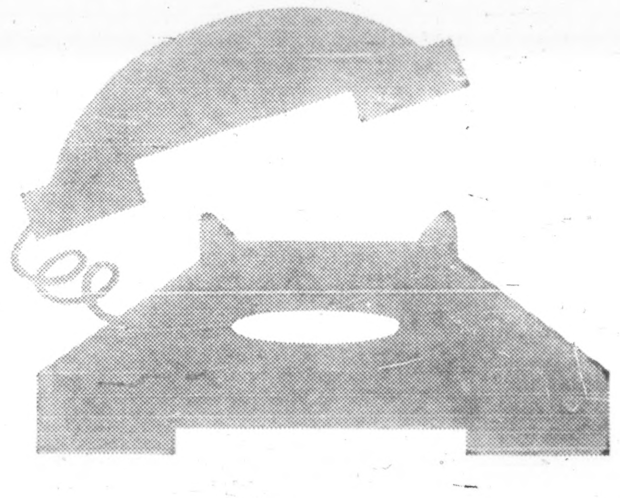

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Nova Scotia

Pop. 719,000.
21,068 sq. miles.
Per capita personal income: $1,072.
Value of output (in $ millions): Agriculture, 52; Manufacturing, 440; Construction, 181; Mining, 64; Fishing, 44.
Capital and largest city: Halifax.
To Montreal: 840 rail miles, 1½ days; By air: 545 miles.

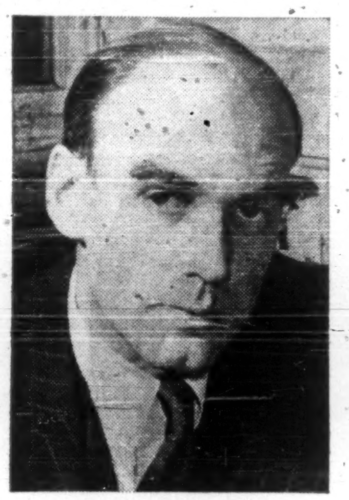
Nova Scotia

Ready for Expansion

Nova Scotia, a province of nearly 800,000 on Canada's Atlantic coast, reports marked increases in every phase of industry except coal mining.

Long-term outlook is bright, especially for the $55 million primary steel and coal industry, the $44 million fish-processing industry and the $40 million forest industry.

Capacity of **Dominion Steel & Coal Corp.'s** vast Sydney plant will be increased substantially to provide raw steel for a projected rolling mill on Quebec's South Shore.



ROBERT L. STANFIELD
Premier of Nova Scotia

A $40-million pulp mill is being built at Point Tupper in the Strait of Canso area of Cape Breton by **Nova Scotia Pulp Ltd.**, part of Sweden's giant **Stora Kopparberg** complex.

Manufacturing, responsible for about 40% of the province's production, has for 15 years been the top industry.

It employs some 33,000 men in 1,370 establishments earning roughly $100 million and producing factory shipments valued at $440 million.

Industrial Estates Ltd., a crown corporation whose function is to aid in the establishment of new industries, constructed six plants last year. Five more are under construction.

The province's biggest problem is coal.

Production for 1959 was **4.3** million tons, down from **5.2** million in 1958.

Dominion Coal Co., a Dominion Steel & Coal Corp. subsidiary and Nova Scotia's prime producer, has not made a cent since 1939 while selling $870 million worth of coal.

Company reported a loss of $1.8 million in fiscal 1959.

There are hopes for long-range improvement based largely on expectation of sales to Ontario for generation of thermal power.

Gypsum production in Nova Scotia set a record in 1959 and the outlook for 1960 is good.

About four million tons were shipped to plants on the U. S. Atlantic seaboard during the first 10 months of the year against 2.5 million for the corresponding period in 1958.

A new gypsum deposit was developed near Nappan during the year.

Salt production was down somewhat while the **Malagash Salt Co.'s** new mine at Pugwash was getting into full swing. The Pugwash mine is tapping the largest salt body in Eastern Canada.

Major electrical companies in Nova Scotia foresee heavier industrial and residential demands. In 1959 production was about 6% ahead of 1958's 1,500 million kwh.

On the Sissiboo river, the **Nova Scotia Power Commission** is completing two of its proposed five hydro plants. The project will cost $9 million and will be developed in three stages.

- **Stage 1** consists of the two generating plants now well underway — Sissiboo Falls, 8,000 hp, and Weymouth Falls 12,000 hp.
- **Stage 2** to be completed during 1962 is the 10,000 hp Riversdale development.
- **Stage 3,** to be completed during 1964, consists of developments of 4,000 hp at Grand Lake and Fourth Lake.

Nova Scotia Light & Power Co., largest retail distributor of electricity in the Maritimes, completed a 5,000 hp generating plant on the Avon river, 10 mi. from Windsor.

Company expects to spend $40 million in the next five years on new generating plants and the improvement of transmission lines and distribution facilities.

Fish landings were down in 1959 but value was up about 11%.

Not counting the thousands of small boats engaged in lobster and other inshore fishing, Nova Scotia tops the Maritime provinces in all classes of boats.

It has a dragger fleet of 170 vessels against slightly over 100 in New Brunswick and 15 in Prince Edward Island.

The only trawler fleet in the Maritimes operates out of Nova Scotia ports.

It numbers about 35 vessels. The longlining fleet consists of 150 vessels, most of them under 50 tons.

Of the once mighty fleet of schooners, sailing out of Nova Scotia fishing ports to the banks, there are only eight dory schooners left.

Fish processing is now a $44 million business. This includes frozen fish operations, a branch of the industry that has experienced some trouble with price instability.

The $52 million agricultural industry made wide gains.

Outstanding was a 20% increase in hog production to about 60,000 per year.

As pork consumption in Nova Scotia requires annual marketings of 250,000, there is still a tremendous gap to be closed.

Establishment of the **Nova Scotia Co-operative Abattoir Ltd.** plant in Halifax on the shore of Bedford Basin will help overcome the deficiency.

Highway expenditures for 1959 were $14 million.

The government plans to spend $30 million in the next 10 years on main highway through the picturesque Annapolis Valley and the scenic route along the South Shore.

LONG-TERM OUTLOOK for Nova Scotia is bright, especially in the steel and coal industry.

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Quebec

Pop. 5,062,000.

594,860 sq. miles.

Per capita personal income: $1,231.

Value of output (in $ millions): Agriculture, 415; Manufacturing, 6,535; Construction, 1,636; Mining, 433.

Largest city: Montreal; Capital: Quebec.

To Vancouver: 3,350 rail miles, 3 days; By air: 12 hrs.

Quebec

French-Canada

Quebec feels itself to be fundamentally different from the other Canadian provinces.

In some ways, it is different. Not that Canada's biggest province (600,000 sq. mi.) is in any position of legal or constitutional privilege.

But more than 80% of its people are of French descent, members of a racial group established in North America longer than any other of European origin. There is a different basis of law, a strong feeling for provincial rights and a tendency to distrust the "centralizers" at Ottawa.

J. ANTONIO BARRETTE
Premier of Quebec

Quebec's French — a small Roman Catholic French-speaking minority surrounded by the vast majority of English-speaking North Americans — are driven by a strong emotional need to preserve their "differences", and not be assimilated.

This doesn't necessarily make them a disruptive or undesirable influence. But it does make them different.

Economically, the province also has some unique features.

It is one of the last major geographic areas in North America with very large reserves of undeveloped accessible water power. This enables it to attract power-hungry industries such as aluminum, pulp and paper, smelting of various kinds.

It stands at the entrance to the St. Lawrence Seaway, a new shipping artery whose significance now is slowly being explored.

The Seaway's ultimate effect still isn't clear. But one example of the great changes which it can bring is in the recent development of a major grain trans-shipment port at Baie Comeau on the Lower St. Lawrence River. This would not have been feasible without the Seaway.

Of course Quebec also has a great deal in common with the rest of Canada. It's standard of living is similar. And, like most of Canada, it is enjoying rapid economic growth and looking forward to its continuance.

A new study by **Economic Research Corp.** of Montreal suggests this expansion by 1985:

- **Population should rise from five million** to 9.5 million.
- **Manufacturing should rise** from under $7,000 million to about $28,000 million.
- **Mining should increase** in volume by almost 400%.
- **Net value of farm output,** in 1949 dollars, should rise from $26[illegible] million in 1959 to $456 million.
- **Again in 1949 dollars, value of construction is expected to move** from less than $1,000 million in 1957 to $3,800 million.

This projection of growth is in line with past experience.

A study by the Quebec Labor Department of the period 1946-59 shows these impressive increases from 1947 to 1958:

- ▶ **Population up** from 3.7 million to 4.9 million.
- ▶ **Personal income up** from $2,600 million to $6,165 million.
- ▶ **Value of manufacturing production** from $3,000 million to $6,535 million.

In this period new investment (capital and repair expenditures) has risen from less than $1,000 million yearly to more than $2,600 million, with special emphasis on investing in power, housing, certain manufacturing groups, new rail building and the service industries.

An important trend in Quebec is toward diversification. A few years ago, the province was heavily dependent upon a few big industries — pulp and paper, textiles, aluminum — which were greatly affected either by changing export markets or rising imports.

These are still important industries. But they make up a smaller percentage of the total. And their percentage is likely to decline further.

However the pulp and paper industry will remain one of the province's largest manufacturing subgroups. Annual value of its output is more than $700 million, about half the Canadian total for this industry. Large wood and power resources, as well as location on world transport routes, appear to ensure additional expansion.

Quebec pulp and paper are big Canadian exports, along with Quebec asbestos, iron, aluminum, copper and chemicals.

Among other major manufacturing groups are food and beverages (more than $1,100 million in recent years); iron and steel products (close to $600 million following rapid postwar growth); nonferrous metal products (more than $600 million with similar fast growth); products of petroleum and coal (around $500 million as a result of quick expansion of Montreal oil refining capacity).

A basic steel industry probably will be added to these before many years pass. There are a number of plans for basic steel output in the Montreal area.

Another dynamic factor: Huge reserves of iron in the Labrador-Quebec border area now being developed at a cost of hundreds of millions of dollars.

One large iron deposit has been producing for some years. Three or four others in this region — some in Quebec, some in Labrador — are likely to be shipping within a few years.

Most of Quebec's five million people live in a small portion of the province near its southern extremity and lying along the St. Lawrence River.

There, too, is most of the usable farm land.

The rest of Quebec is rocky, lake-strewn, mineral-rich. Much of it is clothed in forest.

In this area lie the wood, power, copper and iron resources upon which prosperity is based.

Tomorrow's pattern of growth is likely to be roughly similar to yesterday's. It is true that more people will live and work in the hinterland, but most of the secondary manufacturing, the farming and the people will continue to crowd along the St. Lawrence.

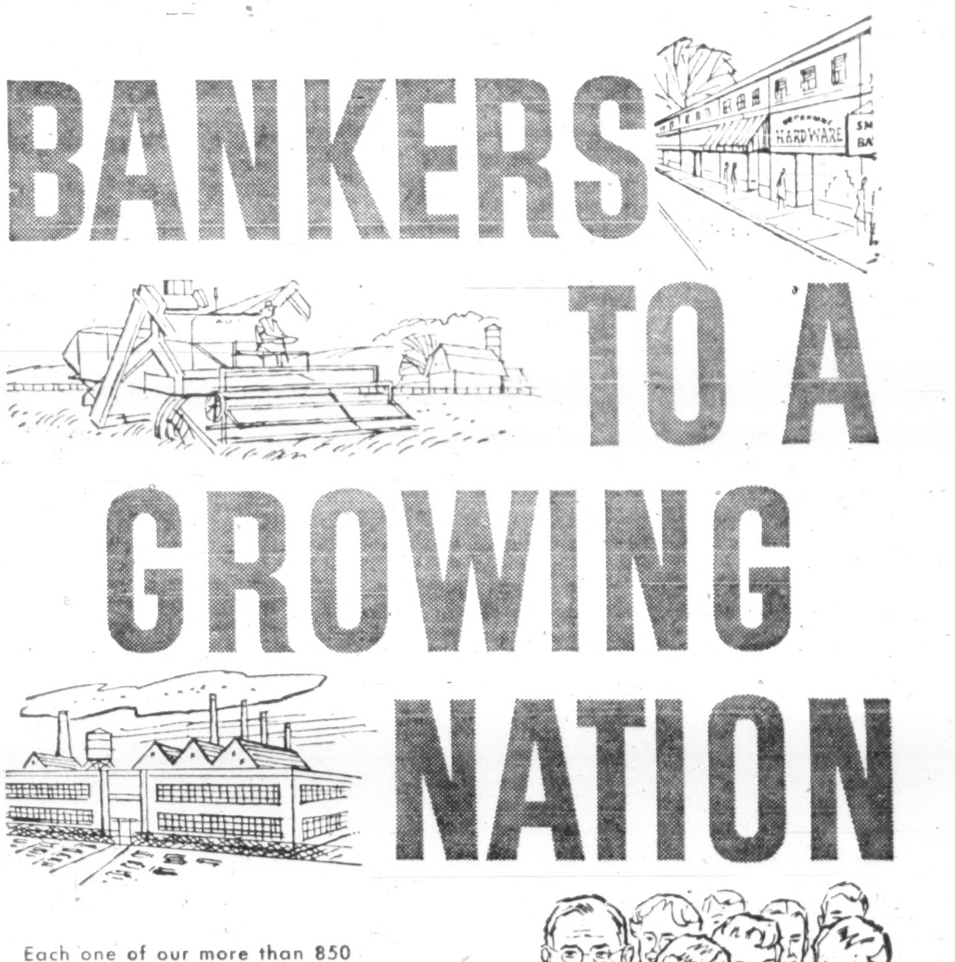
This is the economic heart of Quebec. In the Greater Montreal area alone there are about two million people — almost 40% of the province's population.

This large urban concentration is transforming agriculture.

There still exist quiet, quaint farm areas where farming is small-scale and based on men rather than on the machinery and the methods of mass production.

But this is changing. The growing cities need meat, milk and vegetables at lowest possible cost and in large quantities. This inevitably calls for large farm units with a high per-man efficiency.

QUEBEC IS enjoying rapid economic growth with the rest of Canada.



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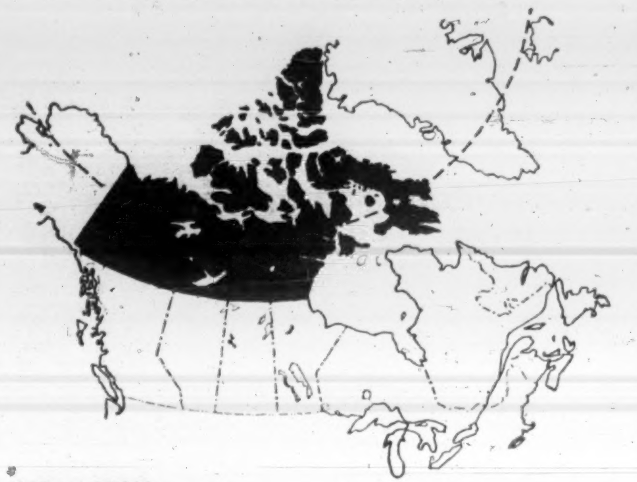
Yukon and Northwest Territories



Pop. 34,000.
1,511,979 sq. miles.
Per capita personal income: $1,091.
Value of output (in $ millions): Mining, 36; Fishing, 2.
Capital and largest city, Yukon: Whitehorse; Largest city, Northwest Territories: Yellowknife.
To Montreal by air: 3,070 miles and 2,735 miles.

The North

Untapped Riches

The Canadian government is preparing to give the 34,000 people who live in Canada's northland new opportunities to learn to govern themselves.

To Canadians, the northland is the 1.5 million sq. mi. extending from 60 deg. north latitude—the northern boundaries of the provinces of Manitoba, Alberta, Saskatchewan and British Columbia—all the way to the Pole.

It is a land of rocks, forests, barren tundra, rich in minerals, fur and power sources.

The northland is organized in two territories.

The Yukon Territory is the northwesterly corner of the huge expanse, bounded on the west by the U. S. state of Alaska.

Population, 13,000 of whom about 3,000 are Indians.

All the remaining northern mainland, plus the Arctic islands, is the Northwest Territories.

Area, 1.2 million sq. mi.; population, 21,000, of whom some 13,000 are Indians and Eskimos.

Since they became part of Canada in the last century, both territories have been governed by commissioners appointed by the federal government at Ottawa, and by councillors, in some cases elected by the inhabitants.

Now, Canada proposes to increase the powers of the elected councils, moving the territories further along on the road to self government, or full provincial status.

The councils pass laws in effect in the territories, but Ottawa can determine what laws will be passed.

- **The Yukon Territory** council will get increased power to handle its own financial affairs.

A permanent financial subcommittee of the Yukon Council will be appointed with which the commissioner will consult as he prepares his annual budget.

- **A huge Mackenzie Territory** will be carved out of the present Northwest Territories and given the same kind of self-governing status that the Yukon Territory possess now.

Both these changes will be accomplished by stages, probably over the next seven years.

On the 100th anniversary of Canadian Confederation, July 1, 1967, Canada is expected to proclaim to the world the establishment of a new, substantially self-governing Mackenzie Territory, named after Sir Alexander Mackenzie, a great explorer of the north of 150 years ago.

Populations of the two territories are totally different in makeup and experience and the reasons for the differences lie back in Canadian history.

Much of what is now organized into western Canadian provinces, plus the present Northwest Territories and Yukon, was ceded to Canada by the U.K. in the 19th century.

The great grain-producing areas of Canada were opened to settlers between 1870 and 1905 and the three present western provinces were carved out of the land turned over to Canada by the U.K.

At the same time, the world-famous gold discoveries of the Yukon River basin brought thousands of prospectors pouring into that area.

The present Yukon Territory, with a council elected by the prospectors, was created in 1898.

But the present Northwest Territories was a barren land where only a few hundred white trappers and missionaries lived among Indians and Eskimos until 20 years ago.

Thus the NWT didn't get the right to elect its own councillors until a few years ago.

Of nine councillors, only three are elected by residents of the territory.

In the Yukon, all five councillors are elected and election by the people has been the rule since 1898.

The government is now establishing schools and hospitals at points throughout the NWT and Yukon.

Some $100 million will be spent on road-building in the next seven or eight years.

The amenities of civilization are being introduced to the Indians and Eskimos of the two territories.

What are the prospects for economic development of the two areas?

Main products of the NWT and Yukon are minerals — value about $34 million a year.

Gold is the chief of these. The Yukon produces some $12 million worth of gold annually, the NWT some $2 million worth.

Next comes uranium—some $9 million worth annually, mostly from the NWT.

Other important minerals produced: silver, $6 million; lead $3 million; zinc $2 million.

Furs are another resource of the territories.

In a recent 10-year period, trappers' incomes in the Yukon fluctuated between $144,000 and $677,000 because of changes in world prices and supplies of animals.

During the same period, furs brought $750,000 to $2 million a year to trappers in the NWT.

Some wheat is grown in the NWT and market garden vegetables grow very well at settlements in both regions.

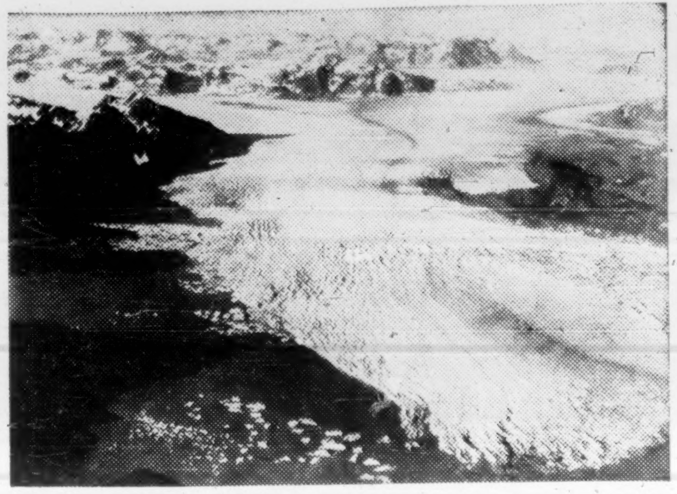
Some wood is sawn, mostly for local building.

The other resource in the territories is fish — about $2 million worth of trout and whitefish is caught annually in Great Slave Lake in the NWT.

Obviously, agriculture and trapping will never provide, in the NWT and Yukon, the kind of steady stable income necessary for real population growth.

The future of the two territories will depend on their minerals, and there's every indication that present production doesn't even scratch the surface of the mineral wealth of the NWT and Yukon.

Because of the vast distances involved, and the heavy transport and development costs, the bulk of present mineral production comes only from very rich deposits.



YUKON AND the Northwest Territories is a vast treasure-house of minerals.

Although only a small part of the NWT and Yukon has ever been prospected — and that superficially — some 20 big deposits of lead, zinc, iron, copper or nickel are known. These have not yet been touched.

It's thought that the two territories may eventually become one of the world's great oil and gas producing regions.

Some 15 major oil companies are now searching for oil and gas.

The real problem in the two areas is to get the minerals out at world prices.

R. G. Robertson, commissioner (i.e., governor) of the NWT said recently;

"The long-term market picture for northern products is encouraging and the costs of northern operations are likely to decline. This should provide growing opportunities for profitable investment."

Robertson thought, however, that these costs would never fall to levels possible in areas closer to population centres.

"In the forseeable future, northern development will probably be limited to resource deposits richer than those that can be economically exploited in the south."

Exploitation of oil and gas deposits, Robertson thought, would likely have a relatively small impact on population in the territories because these products would be shipped out to markets by pipeline or tanker.

Refinery installations wouldn't be erected on the spot, at least for some years.

But the search for oil and gas would bring improved transportation routes which will stimulate other kinds of mining development and this would be reflected in a growing northern population.

1960
OUR 90TH YEAR OF PUBLIC SERVICE

1959 · 1958 · 1957
1954 · 1955 · 1956
1953 · 1952 · 1951
1948 · 1949 · 1950
1947 · 1946 · 1945
1942 · 1943 · 1944
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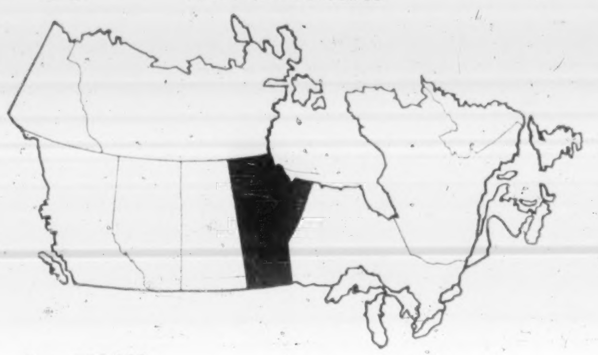
Manitoba



Pop. 892,000.
246,512 sq. miles.
Per capita personal income: $1,425.
Value of output (in $ millions): Agriculture, 321; Manufacturing, 744; Construction, 345; Mining, 58.
Capital and largest city: Winnipeg.
To Montreal: 1,359 rail miles, 1¼ days; By air: 1,291 mi.

Manitoba

Prairie Gateway

Major projects under way or soon to be launched in Manitoba will keep the province's economic machine in high gear.

Manufacturing, construction, highway building, the tourist industry, power consumption and retail sales, made new records in 1959.

DUFF ROBLIN
Premier of Manitoba

Other segments of the economy were close to former peaks.

The population had a modest gain of 14,000 (Dec. 1 estimate, 892,000).

More than 40% of the population is in metropolitan Winnipeg.

Gross agricultural production reached $321 million in spite of weather in early October which left an estimated 20 million bu. of unthreshed wheat, oats, barley and flax in the fields.

One third of an estimated 250,000-ton sugar beet crop and half the commercial potato crop was lost.

Gross industrial production in 1959 was $743.6 million, $70 million more than in 1958.

The 1960 edition of the provincial Trade Directory lists 1,665 manufacturing firms in the province. Last year 53 new ones started.

To accelerate spread of industry to smaller centres the provincial government has set up a Manitoba Development Fund to assist new projects or moderate size existing ones.

Loan advances of $2.5 million in its nine months of operation have made possible a $5 million capital investment in smaller type enterprises which have given work to 350 and added $38 million to the annual industry production.

With growth of industry there was a corresponding upsurge in power consumption, 8% in 1959.

Construction will start in 1960 on a $140 million hydro electric development at Grand Rapids where the Saskatchewan River empties into Lake Winnipeg.

The site is 250 mi. northwest of Winnipeg.

Its potential is 440,000 hp.

The province is still going ahead with a $28 million steam plant at Selkirk, 24 mi. north of Winnipeg.

Mining is the north's biggest industry.

The major operations are the **International Nickel** development at Thompson, the **Hudson Bay Mining and Smelting Co.** at Flin Flon, and **Sherritt-Gordon Co.** at Lynn Lake.

International Nickel will be in production this year.

On its location, some 420 mi. north of Winnipeg, a new town is well on its way and expected to have a population of 8,000.

The $60 million hydro plant on the Nelson River about 45 mi. from the mine site, built to service the company operation and the town, will be well on the way to completion by end of 1960.

New roads are being built in the north partly by the province, partly as part of a five-year federal-provincial project.

Besides its mines the north has 27 million acres of forest land, part of which may soon see location of a $40 million pulp and paper industry.

Another major development of 1959, although not in the north, was federal government choice of an 11,000-acre site on the Winnipeg River 65 mi. northeast of Winnipeg for the Whiteshell Atomic Research Centre.

Estimates of ultimate cost have ranged from $100 million up.

Winnipeg's air terminal is being modernized and enlarged to international dimension.

Estimated cost of work ranges from $9 million to $14 million.

For the construction industry 1959 was a boom year.

Counting building and engineering phases of public and private work, the Department of Industry and Commerce estimates the 1959 volume at $392.5 million, compared with $343.5 million in 1958.

Tight money and high interest may have put brakes on 1959 home building.

In six centres for which figures are available starts were made on 5,745 dwelling units in 1959 compared with 4,906 in 1958.

The tourist industry also had its best year in 1959. There were about 1,200,000 visitors, half as many again as the total population.

Their estimated expenditures: $35 million.

Total production of all minerals, metallics and industrial, when final figures are available, will be over $60 million, better than 1958 but well below the $67.7 million peak of 1956.

Forest production for 1959 held its own with 1958, probably about $22 million when final returns are tabulated.

Commercial fishery production was also up, $6.2 million in 1959 compared to $5.9 million in 1958.

Stability of the Manitoba business structure was indicated by retail sales.

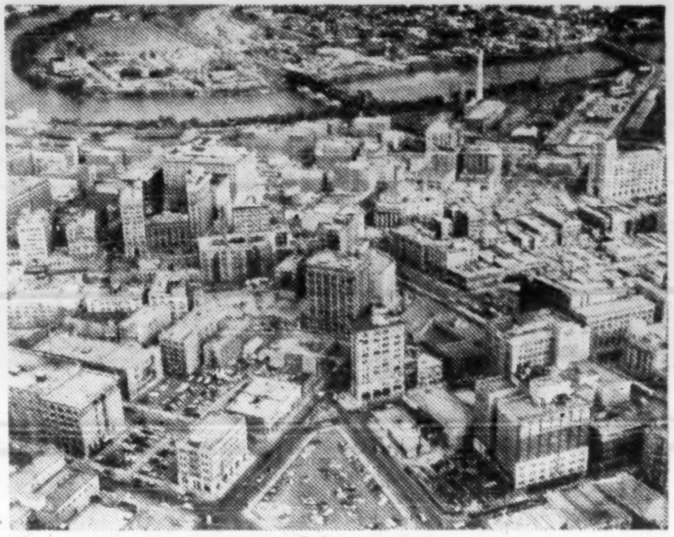
From May until end of October the percentage increase in the province was well above the all-Canada average and probably will be up to December 31 when figures are available.

Manitoba oil production which in early years gave promise of making the province self-sufficient, is now receding.

It was less in 1959 than in 1958.

Results of the first year of Seaway operation will take time to analyze but it is apparent it has already caused major shifts in grain handling.

In summary the tempo of the 1959 economy was brisk and business leaders think it will likely continue in 1960.



WINNIPEG IS the capital of Manitoba. Here's a general view of the downtown business section.

how **MANITOBA** Canada
helps you select the most advantageous location for your new plant or branch

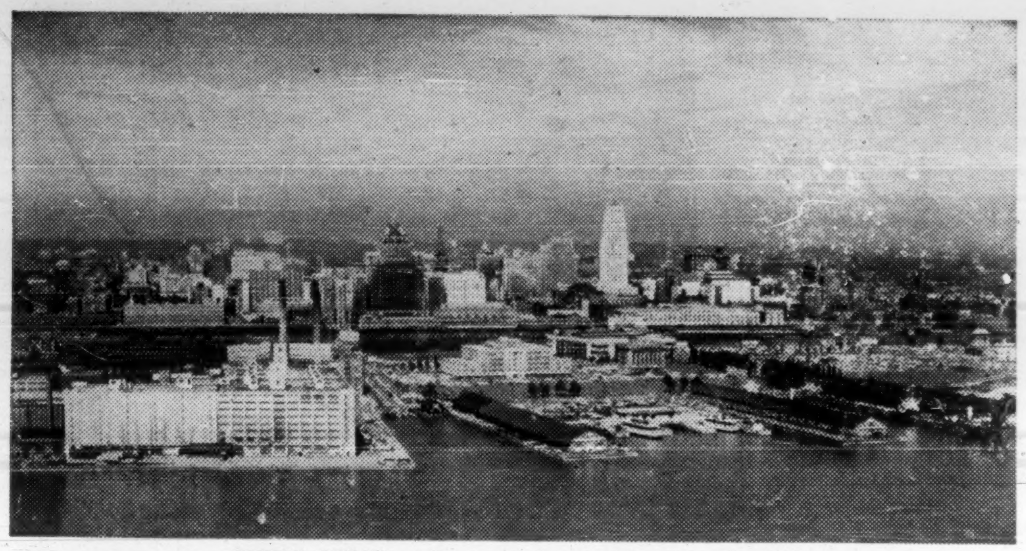
■ The Manitoba Department of Industry and Commerce maintains professional Industrial Location Services geared to assist companies find the right site for their needs.

■ Working closely with private consultants and research firms, the Department's teams of specialists assess Manitoba's economic advantages, raw materials, natural resources, provincial and local regulations, site evaluation, community planning and other factors, in terms of your specific industry or company need.

■ A location study tailored to your requirements is quickly launched (through confidential channels, of course) upon receipt of a detailed Plant Requirements Form filled out by your company.

■ SEND for your complimentary copy of "MANITOBA'S INDUSTRIAL LOCATION SERVICES" a complete account of the technical assistance available through the Department, and the unique method of making loans through the Manitoba Development Fund — as well as the specially prepared PLANT REQUIREMENTS FORM.

DEPARTMENT OF
INDUSTRY & COMMERCE
Legislative Building, Winnipeg, Manitoba, Canada
HON. GURNEY EVANS, Minister
R. E. GROSE, Deputy Minister



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Ontario

Leads in Industry

As a producer and as a market for goods and services, Ontario is growing at a rapid pace.

It holds a leading position among provinces in industrial production, in natural resources, in population.

Ontario, in area, is second largest province.

It holds its strong economic position for a variety of reasons:

- **There is a firm agricultural base** balanced against vast mineral and forest resources and a diversified industrial complex.
- **It is close to major markets,** including those of the eastern and middle U. S.
- **It has plenty of power resources.**
- **Transportation is highly developed.**

Here is how Canada's richest market is growing:

▸ **Industrial output** was $11,500 million last year, some 50% of Canadian total.

▸ **Growth continues,** with 86 new industries added in past year.

Since 1950, some 5,700 manufacturing establishments have located in the province.

▸ **Toward end of 1959,** Ontario's population reached six million.

That is a 50% increase since 1946, and well ahead of postwar forecasts.

It is accounted for by rising birth rate, declining death rate and an inflow of immigrants.

▸ **Investment of new capital** in Ontario has been over $25,000 million since end of the war, now is about 14 times the 1946 rate annually.

Capital expenditures were about $3,020 million in 1959.

▸ **Other gains in this period:** Gross product up by three times, personal income up by same figure and retail sales ahead by 3.5 times the 1946 level.

▸ **Estimated personal income** for Ontario last year was about $10,500 million, 40% of Canadian total.

▸ **As new year began,** outlook was for capital expenditures to equal or exceed the all-time high of 1957 at $3,265 million.

▸ **Ontario contributes** 42% of total Canadian net value of production by the commodity-producing industries.

Showing the place of manufacturing in Ontario: Manufacturing industries accounted for 67% of all Ontario net value of production.

Manufacturing industries in the province produce 51% of all net value of Canadian manufacturing.

▸ **Ontario agriculture** held its own in 1959, with output valued at $865 million.

Last year, the St. Lawrence Seaway opened to deep-water traffic.

Ships from around the world moved through the route that now connects world ports to the heart of the North American continent.

The movement underlined the significance of this new factor in transportation.

For Ontario, the benefits from development of the St. Lawrence are twofold.

Ontario ports gain from the increased shipping of the Seaway, its economy gains from the greater facilities for moving goods to markets and bringing in materials.

But the development brought with it more power for Ontario.

A power development project on the St. Lawrence, between Montreal and Lake Ontario, has been completed by Ontario and the State of New York — a partnership which shared costs and now share the hydro power that is being generated.

But this is only one project to provide Ontario with energy.

The dependable peak capacity of the province-owned **Ontario Hydro** has increased from 1.9 million horsepower to around seven million horsepower in last ten years.

This increase has been made possible by development of new water power sites and fuel-burning steam plants.

A pipeline across Canada now brings western natural gas to the province, joining western oil which was introduced by pipeline several years ago.

Now, vast deposits of uranium in Ontario and the potential of this material as a fuel have led the province to look to development of nuclear power.

Work is already well under way to production of nuclear power—the first in Ontario on a commercial basis.

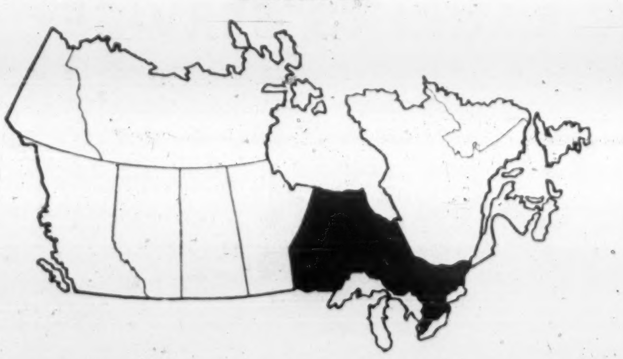
Energy use in the province has risen 90% in last 15 years and requirements in the next 20 years are expected to treble.

The province's great manufacturing economy had its beginnings just before this century began when a primary iron and steel industry was established in southern Ontario.

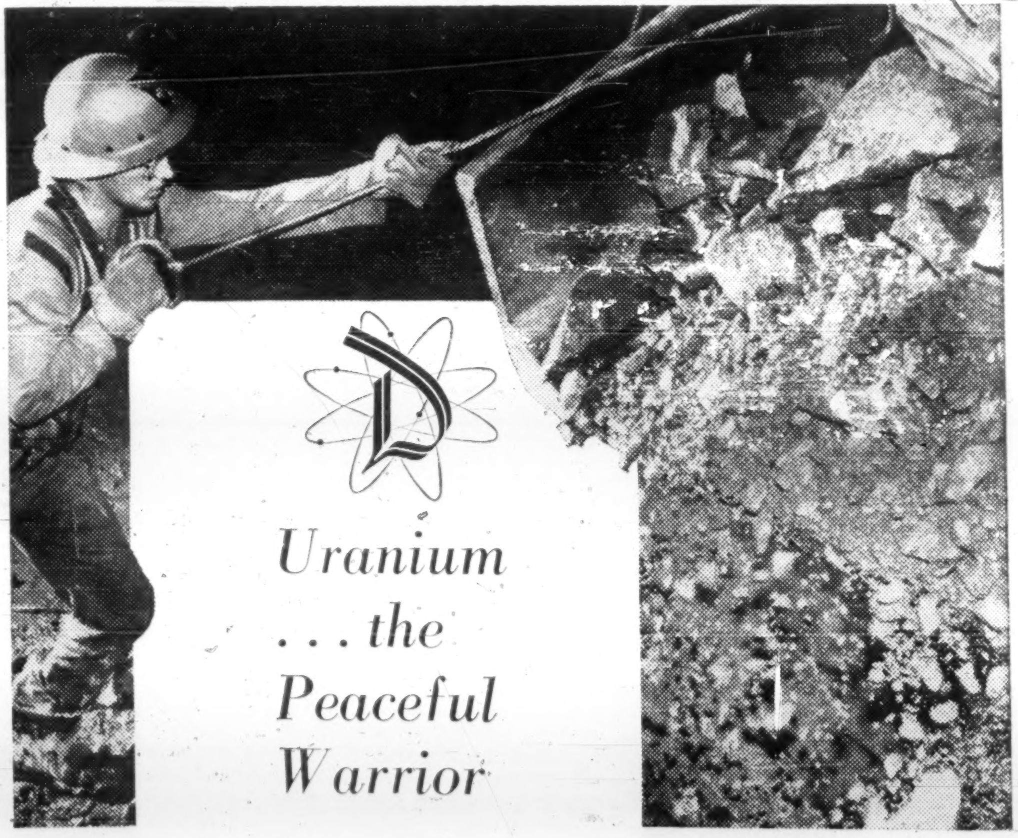
Today, value of manufactured products in Ontario is greater than the total of all Canada just after World War II.

LESLIE M. FROST
Premier of Ontario

Ontario



Pop. 6,029,000.
412,582 sq. miles.
Per capita personal income: $1,696.
Value of output (in $ millions): Agriculture, 865; Manufacturing, 11,500; Construction, 2,705; Mining, 963.
Capital and largest city: Toronto.
To Montreal: 335 rail miles; 6 hrs.; By air: 329 miles.



Two equally-important factors have contributed toward Canada's sound economy—namely, the will and vision of her people, and her vast natural resources. Important among these resources are Canada's huge uranium deposits with a total production value of over $290,000,000 annually.

Uranium means atomic power — the inviting open door to a new economic era that can literally change the world. Thus uranium can be our Peaceful Warrior, working to bring undreamed-of benefits to all mankind.

The uranium miner, the ally of the Peaceful Warrior, therefore symbolizes this forward march to the greatest industrial revolution ever placed within man's grasp.

Meeting the challenge of supplying the huge quantities of fuel upon which our new atomic age depends, Consolidated Denison Mines Limited, the world's largest single-uranium producer, is playing a major role in this great social and industrial endeavour.

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Spragge, Ontario

Newfoundland and Labrador

Pop. 453,000.
156,185 sq. miles.
Per capita personal income: $808.
Value of output (in $ millions): Fisheries, 15; Manufacturing, 117; Construction, 91; Mining, 72.
Capital and largest city: St. John's.
To Montreal by rail and ferry: 2 days; By air: 1,215 miles.

Newfoundland

Ore, Pulp and Paper

Newfoundland, an 11-year-old province, is the 10th member of the Canadian family.

It has the highest birth rate and the lowest death rate.

Present population is 453,000.

The province's primary industries stem from vast natural resources — fisheries, forests and minerals.

Newfoundland, since 1940 has been the Gibraltar of North America.

Large military bases are maintained by the U. S., but one in the St. John's region, Pepperrell Air Force Base, will be closed down by September. The 1,100 civilians working there will be given jobs on other bases, wherever possible.

This year will see tremendous iron ore development in Newfoundland's northern dependency of Labrador.

J. R. SMALLWOOD
Premier of Newfoundland

Over $400 million will be spent in the next few years by two groups of companies developing the vast Wabush and Carol lakes iron ore deposits.

Wabush Iron Co. comprises **Pickands, Mather & Co.** of Cleveland, **Steel Co. of Canada, Youngstown Sheet and Tube Co.** and others.

Carol project includes **Iron Ore Co. of Canada, Hollinger Consolidated Gold Mines, M. A. Hanna Co.** of Cleveland, and others.

Much of the ore will be sold in Europe.

It will be upgraded by beneficiation on the site and shipped in pellet form.

Newfoundland will receive 22c a ton royalties and 8% of net profits.

A large townsite is now being built for the two projects.

A 42-mile spur railway line from Mile 224 of the **Quebec North Shore and Labrador Railway**, is nearing completion.

Value of Newfoundland's minerals produced and exported last year was $72 million.

Exports included lead, zinc and copper concentrates with some gold, copper ore, iron ore from Wabana, fluorspar from St. Lawrence, gypsum, pyrophyllite and cement.

A large asbestos mine is being developed now. Exploration continues, especially by **British - Newfoundland Corp.** and its mineral unit, **Brinex.**

Uranium has been found in large quantities in Labrador but is not yet being developed.

The salt and fresh frozen branches of the deepsea fisheries had a good year in 1959.

Landings of all species were 563.1 million lb., valued at $14.8 million compared with 464 million lb. in 1958 with a value of $11.3 million.

The dragger fleet of 23 boats carried 326 men and the modern longline fleet of 24 boats carried 118. Six Danish seiners augmented the fleet serving fresh fish plants.

Newfoundlanders engaged in fisheries number 17,000, including the hand-and-line men catching cod inshore for salting and also for the fresh fish plants.

The two pulp and paper mills had a fine year and expect increased business in 1960.

Bowater's at Corner Brook on a six-day week since late summer, shipped about 300,000 tons.

Payroll was $22 million and sales $38.5 million.

Anglo - Newfoundland Development Co. at Grand Falls had a payroll of $15 million last year. Production was 246,000 tons of newsprint in addition to groundwood pulp and sulphite.

Newfoundland has vast timber resources in Labrador and Premier J. R. Smallwood has predicted the island will have a third paper mill within the next 10 years.

Newfoundland is the oldest part of Canada in historical record, having been discovered in 1497 by John Cabot and taken over officially for Queen Elizabeth I by Sir Humphrey Gilbert in 1583.

St. John's was then partially settled.

Newfoundland became the 10th province of Canada in 1949.

Backward in public services because of its small population, as a member of the Canadian family the province has moved forward economically in the past 10 years.

The provincial government spent $263 million in the past 10 years on education, roads and health.

The Premier estimates expenditure of $630 million in the next decade on these three headings.

NEWFOUNDLAND has been known as the Gibraltar of North America since 1940.

Newfoundland retains many associations with European countries dating back before Confederation.

Thousands of Portuguese fishermen pay several visits annually to Newfoundland ports during their long fishing season on the Grand Banks and off Greenland.

Greece and Italy have been traditional customers for Newfoundland cured salted fish.

France, too, with a colony off the south coast of Newfoundland (St. Pierre and Miquelon) is a great friend of Newfoundland.

The U. K., of course, has had a long association with the island.

U. K.-made goods continue to sell well in Newfoundland.

Confederation has brought many new faces to Newfoundland from many European countries.

Technicians were brought in by the provincial government to start many government-sponsored industries — cement plant, gypsum mill, textiles, leather and shoe factories, battery plant.

Doctors and nurses are scarce in Newfoundland and many Europeans have come to help fill the gap in response to advertisements placed by the government in overseas newspapers.

Newfoundland as part of Canada has grown in stature.

Fish, newsprint and minerals flow from the 10th province to many parts of Europe: Holland, West Germany, France, Portugal, Spain, Italy, Belgium and the U. K.

South America and Australia also buy Newfoundland goods.

In the next few years new towns will be created in Newfoundland, reflecting industrial development and export sales.

To help meet educational requirements, a new $13 million university is under construction.

Apart from teaching facilities there will be research in oceanography, forestry development and its byproducts.

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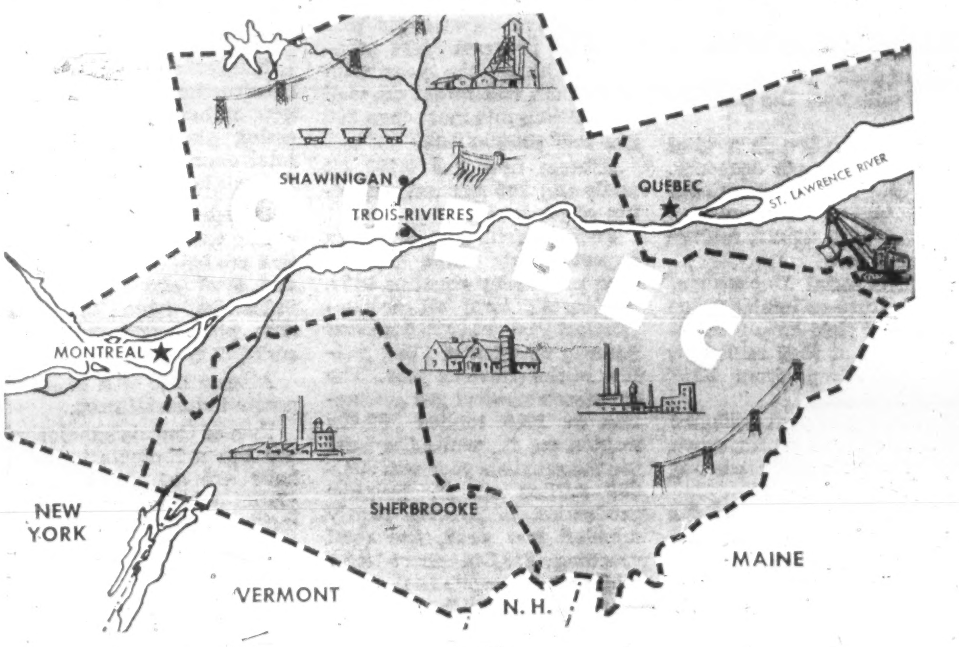

31,000 SQUARE MILES OF INDUSTRIAL OPPORTUNITY IN CANADA

The Shawinigan territory — 31,000 square miles in the Province of Quebec — extends from the Laurentian Mountains to the United States border and straddles the mighty St. Lawrence River for a distance of 300 miles.

The Shawinigan territory offers every requisite for successful industrial operations:

- Abundant raw materials
- Low cost hydro-electric power
- A stable working force
- The best in modern highways, railways, airways—plus the great new St. Lawrence Seaway. Here you can trade with the world at large.

For these reasons the Shawinigan territory is one of the fastest growing industrial areas on the North American continent.

For further information regarding this favoured territory, write to: Industrial Development Department, The Shawinigan Water and Power Company, P.O. Box 6072, Montreal, Quebec, Canada.

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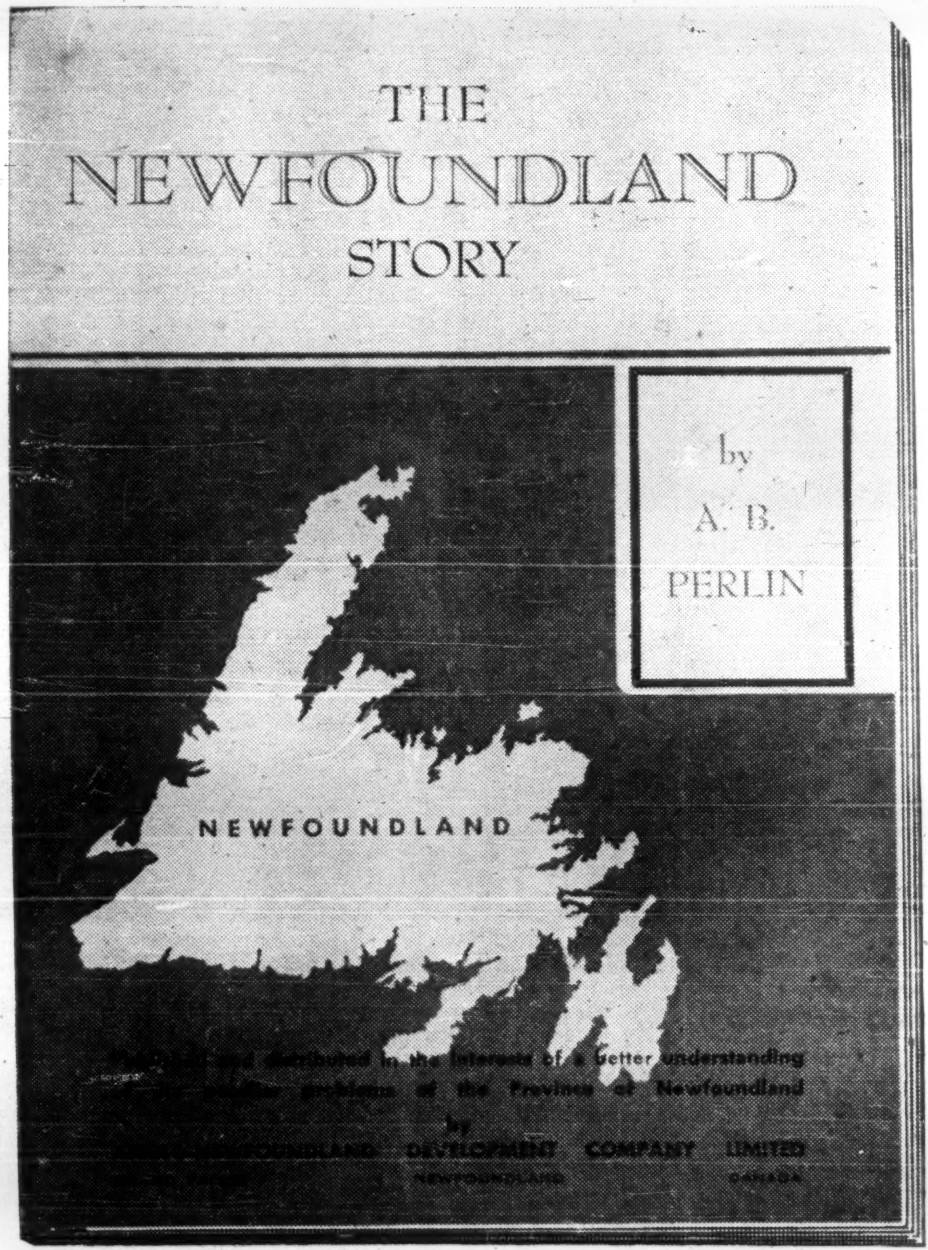
**TOWARD A
BETTER
UNDERSTANDING
OF**

NEWFOUNDLAND

In 1959—its Golden Jubilee Year—Anglo-Newfoundland Development Company Limited sponsored and distributed throughout Canada and in the U.S.A. more than a quarter of a million pieces of literature designed to promote "a better understanding of the peculiar problems of the Province of Newfoundland."

One of the booklets mass-produced by A.N.D. is "The Newfoundland Story" by A. B. Perlin, well known Newfoundland journalist and commentator.



THE
NEWFOUNDLAND
STORY

by
A. B.
PERLIN

NEWFOUNDLAND

[illegible] and distributed in the interests of a better understanding
[illegible] problems of the Province of Newfoundland
by
[illegible]NEWFOUNDLAND DEVELOPMENT COMPANY LIMITED
[illegible] NEWFOUNDLAND CANADA

Tracing the economic history of Britain's Oldest Colony and Canada's Newest Province, Mr. Perlin makes a telling case for Newfoundland and concludes:

"With good communications and some partnership in resource development, Newfoundland can attain a measure of economic security that will be otherwise beyond her grasp. Above all she needs the sympathetic understanding of the rest of Canada as she seeks to play a fuller part as a member of the Canadian Federation."

A.N.D.

Copies of "The Newfoundland Story" and other publications sponsored and produced by Anglo-Newfoundland as a public service may be obtained by writing to the Community Relations Department, A.N.D Company, Limited, Grand Falls, Newfoundland.

ANGLO-NEWFOUNDLAND DEVELOPMENT COMPANY LIMITED

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GRAND FALLS NEWFOUNDLAND CANADA

British Columbia

Pop. 1,592,000.
366,255 sq. miles.
Per capita personal income: $1,663.
Value of output (in $ millions): Agriculture, 120; Manufacturing, 1,925; Construction, 826; Mining, 157;
Largest city: Vancouver; Capital: Victoria.
To Montreal: 3,350 rail miles, 3 days; By air: 2,572 miles.

British Columbia

Power for Industry

British Columbia finished 1959 in healthy position, with most of its vital basic industries up in production and wealth.

Premier W. A. C. Bennett says that, for British Columbia, the 1960s will be even more fabulously prosperous than the 1950s.

The population reached an estimated 1,600,000, up, in a decade from 1,113,000.

Greatest boon on the horizon for British Columbians in the next few years is development of hydro power on the Peace and Columbia Rivers.

Ottawa will give the lead in Columbia River development.

Private interests, headed by Swedish financier Axel Wenner-Gren, a politically controversial figure in British Columbia, will develop the Peace, under provincial government auspices.

Premier Bennett says there is room for the development of both these rivers.

In looking back to 1959, Provincial Minister of Industrial Development, Trade and Commerce Robert Bonner says:

"The past year has been marked by a moderate recovery from the recession which began in the latter part of 1957, and continued through much of 1958.

"British Columbia shared in the general gain — 1959 was a satisfactory year for the provincial economy.

"Even greater levels of consumption and production can be expected in 1960."

W. A. C. BENNETT
Premier of British Columbia

The government's Bureau of Economics and Statistics says that probably the outstanding feature of the B. C. economy in 1959 was an estimated gain of 8% in provincial personal income.

"This," says the bureau, "has been accompanied by more modest gains in consumer spending.

"This represents real gain, owing to the relative stability of prices prevailing during the period.

"The increase in personal income is attributed to a slightly larger labor force working at higher wages, and substantially improved earnings recorded by a good many businesses."

The gains would have been higher, except for certain difficulties such as the marketing of raw and semiprocessed goods like lead, zinc, oil and certain types of pulp, on the world markets and the struggle to control production costs in the face of highly competitive world market conditions.

Manufacturing activity in B. C. in 1959 reached an all-time high — $1,925 million, about 7% greater than in 1958.

The Bureau of Statistics report says:

"One of the significant features of the last year has been the strength of the economy, even though the accustomed stimulating force of heavy capital investment has not played such a major role.

"Heavy capital expenditures of recent years in the forest industries, hydro developments, pipe lines and transportation facilities, as well as the establishment of new plants in many kinds of businesses, are resulting in increased output.

"If the present high levels of income and consumption can be maintained without abnormally high capital investment, it would suggest that we are reaching a more stabilized and mature economy."

Highlights of major B. C. industries for 1959:

Forestry production, up 8.2%; mining, up 5.5%; agriculture, up .6%; fishing, down 32%.

The B. C. Government is frankly worried about the future of the forest industry, and is urging the industry itself to seek new world markets and win back those which have been lost.

Lands and Forests Minister Ray Williston says the forest industry is at a critical stage of its development.

The Bureau of Economics and Statistics says:

"The forest industries of B. C. experienced a further increase in activity during 1959.

"The recent recession has finally been overcome, and a definite upward trend was visible in most branches of the forest industry.

"Improved conditions on the mortgage market in the first half of the year resulted in greater housing activity in Canada and the U. S., thus resulting again in some increase in lumber sales and improved prices.

"Plywood production, and sales, remained at about the same levels as 1958, and the pulp and paper industry worked in 1959 at an average 90% capacity — 5% greater than in 1958.

"The optimistic forecast for the industry made at the beginning of 1959 appears to have been fulfilled, and, in general, even greater production and sales are anticipated for 1960."

The bureau mentions the government's concern about the U. K. market:

"Shipments—to the U. K.—have dropped considerably, a trend which was already noticeable in 1958, and is caused by the increased competition from Scandinavian countries and Russia.

"Although there is no great improvement anticipated in this market in 1960, this year is expected to be a peak year in lumber production and sales."

Forestry production in B. C. reached $672 million last year — more than double that of a decade ago.

In 1949 it was worth $32 million, and has been gaining steadily ever since, with few setbacks.

In agriculture, cash income from sale of farm products last year amounted to $120 million — a slight rise over the year before.

Value of the fishery industry last year was about $65 million — only two thirds of the 1958 market bonanza.

Mainly responsible for the large decrease in the salmon catch was the fact that 1959 was an off-year for the sockeye species, whereas 1958 was the peak year of the four-year sockeye cycle.

A 14-day strike in the fishing industry last summer was also partly responsible for the fall-off.

B. C. mining production was valued last year at $154 million.

However, notwithstanding this increase, the average monthly employment decreased. The coal industry was in dire circumstances.

During 1959 there were increases in the production of natural gas and petroleum crude.

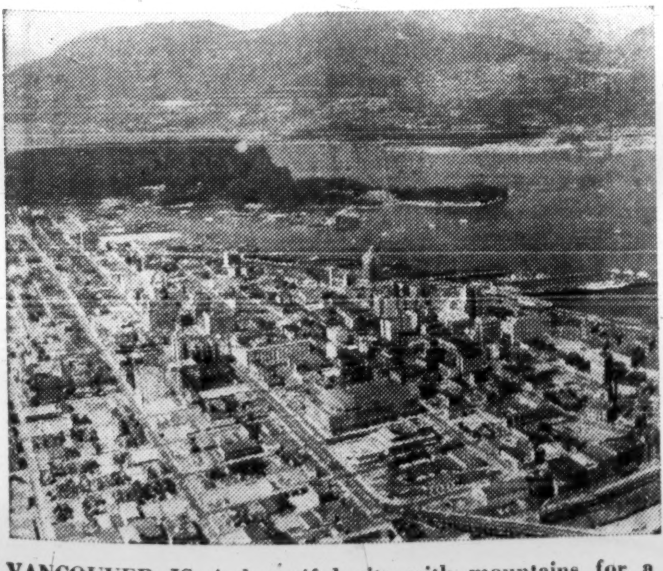
The bureau report says:

"It is planned that the existing petroleum crude pipeline that runs from Sturgeon Lake, Alberta, to southwestern British Columbia will be linked to the oil wells in the northeastern sections of the province.

"On completion of this pipeline extension, both natural gas and petroleum from northeastern British Columbia will be connected by pipeline to the large markets to the South."

Value of foreign trade through B. C. ports last year reached an all-time high of $890 million.

Capital investment in B. C. in 1959 totaled about $1,200 million, the same as 1958.



VANCOUVER IS A beautiful city with mountains for a backdrop. Exports from this port play a big part in province's economy.

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TO LOCATE A PLANT IN:

There is an abundance of power in Brandon. The natural gas rates in the city are the lowest in Manitoba. The first phase of a $28 million steam plant is now in operation. Lignite and bituminous coals are produced regionally in large quantities. From the transportation standpoint, Brandon offers a unique concentration of rail, road and air transport with all major centers on the continent directly accessible.

TO WORK IN:

Harmony marks the relations between labor and management in Brandon. The city ranks low on the wage scale in comparison with other Canadian centers, and has one of the lowest cost of living figures in the nation. From the management viewpoint, there is the added advantage of less competitive bidding for labor.

TO LIVE IN:

Brandon is a young and vigorous city where every third home is new and the community interest high. The sports enthusiast whether as a participant or a spectator will find the facilities excellent and varied. Just one hour drive north from Brandon is the famous Riding Mountain National Park. The area surrounding the city abounds in hunting and fishing opportunities. Brandon College offers complete university courses in arts, science, education and music.

For further facts on Brandon, write for the Economic Survey of Brandon—an authoritative report by the independent Midwest Research Institute.

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Alberta

Pop. 1,264,000.
255,285 sq. miles.
Per capita personal income: $1,518.
Value of output (in $ millions): Agriculture, 349; Livestock, 240; Manufacturing, 880; Construction, 805; Mining, 378.
Capital and largest city: Edmonton.
To Montreal: 2,159 rail miles, 2 days; By air: 2,043 miles.

Alberta

Seeks New Capital

The Prairie Province of Alberta, teaming with rich natural resources, beckons capital and development.

Long a leader in agriculture. Alberta is playing a major role in industrial expansion and production.

In 1959, some 80 new industrial plants were either started or proposed in Alberta and more are projected for the current year.

Alberta ranks third among the 10 provinces in value of mineral production, exceeded only by Ontario and Quebec.

It is running well out in front in oil and natural gas production and still has abundant untapped petroleum reserves.

Last year, the value of shipments by Alberta manufacturers rose to $880 million, compared with $826 million the previous year.

Retail sales last year reached a high of $1,300 million a substantial gain over the previous year.

Farm production is a vital part of the Alberta economy.

Last year the total farm cash income was $393.2 million, compared with $392.2 million the year before.

The provincial Department of Agriculture estimates value of Alberta's field crop production in 1959 at $349 million, a substantial drop from $357 million in 1958.

The total last year included $129 million from wheat, down $1 million from the preceding 12 months.

Alberta also is one of the main areas for livestock production, estimated last year at $240 million, a decrease of $3 million from the previous year.

One reason was that the volume of U. S. buying eased off during the year.

For livestock products, such as dairy products, wool, and honey, the Department of Agriculture estimated a valuation of $85 million last year.

This was slightly below the previous year's total.

Mineral production moved to new high levels last year, Alberta's total valuation being $378 million, smashing the 1958 total of $346 million.

Despite marketing difficulties early in the year when U. S. restrictions were in effect, sales of Alberta crude oil reached a total value at the end of the year of $308.6 million, as against $284.3 million in the preceding year.

A strong demand for Alberta natural gas also was shown in 1959, resulting in sales rising to more than $26 million, an increase in excess of $6 million.

E. C. MANNING
Premier of Alberta

An active oil and gas well drilling program was continued during the year with more than 800 initial oil well completions and more than 200 gas well completions.

Alberta now has 9,250 oil wells and 780 gas wells capable of production.

Footage drilled in 1959 was approximately nine million feet, practically equal to 1958.

Alberta's total oil production last year was 130.5 million barrels, as against 113.4 million in the previous year. The province's natural gas production in 1959 totaled 352,800 million cu. ft., while the total for the previous year was 294,600 million cu. ft. Sulphur production in Alberta nearly doubled last year, the total reaching 238,644 short tons, while the aggregate in the previous year was 122,326 tons.

Cement production rose from from 3.6 million barrels to 3.8 million barrels.

Value of lumber and other forestry products is estimated at $18.9 million, an increase of $2 million over the previous year.

Pulpwood production rose from 160,000 cords to 196,794 cords.

Alberta has more than 45,000 million minable tons of coal, nearly half of Canada's total coal reserves. This industry has been adversely affected by oil and gas.

Reversing the trend of recent years, the Alberta coal industry recorded a production gain in 1959 when its total output was 2.549 million tons, valued at $12.8 million, as against 2.519 million tons in 1958 which had a valuation of $12.77 million.

One reason for the increased production was the export of coal to the Japanese market.

Coal men are hopeful that several trial shipments will be followed by heavier orders this year for Japanese industrial plants. Last year, 71 coal mines were operated in Alberta. These are bituminous and semi-bituminous mines located in various areas.

Iron deposits in Alberta have also attracted interest.

There are large, low-to-medium grade iron deposits in the province. Most are close to rail transportation.

In the Pincher Creek and Crowsnest Pass areas, these deposits were subjected to more intensive investigation and about 50 million tons of medium grade magnetite were outlined.

In two areas of the Clear Hills, in northern Alberta, north of the Peace River, recent explorations for petroleum disclosed several deposits carrying minor siderite.

Each of these two areas contain 500 million to 1,000 million tons of sandstone averaging between 30% and 35% metallic iron.

The western margin of the Canadian Precambrian shield cuts the extreme northeast corner of Alberta.

Field parties of the Research Council of Alberta have reported showings of uranium and molybdenite in this region.

During the past year, iron and steel products valued at $60 million were shipped from Alberta plants.

In addition, non-metallic mineral products and chemicals and allied products each accounted for $54 million.

Alberta's huge natural gas reserves, which have been estimated by the Oil and Gas Conservation Board at 27,000,000 million cu. ft., will see major development this year, according to industrial observers.

This opinion is based largely on bright prospects for increased gas export to other provinces and the U. S.

It is estimated that plans for construction of a number of new refineries and gas processing plants will involve a total expenditure in excess of $40 million.

Chemical and petrochemical plants worth another $32 million are being built; while iron and steel and transportation industries have undertaken new plants and facilities to cost $17 million.

Alberta also will be serving a new industrial need.

Two of Canada's major rubber tire manufacturing plants have started to build two plants which will involve a total cost of $11.5 million.

All of this activity in the industrial realm has resulted in a 19% increase in electric power generated compared with 1958.

For the first time in the history of the province, more than 3,000 million kilowatt hours were consumed.

The province's power requirements likely will continue to increase at a rate of possibly 15% a year for the next two or three years.

Building construction also has been on a heavy scale in Alberta.

A record was set in 1959 when the total value of new construction in the province was estimated at $26[illegible] million.

Estimates of labor income indicate an increase of 10% over the 1958 total of just over $1,000 million.

At Jan. 1, 1960 the total unemployed registered with National Employment Service was 32,491 for Alberta.

The provincial government last year, established a new department of development and industry, to develop trade and expand industry.

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ALBERTA IS ONE of Canada's younger provinces, an area of 255,285 square miles, it is forging ahead as a manufacturing province.

Horses Making Big Comeback

Manitoba's horse population may never get back to the figure of 20 years ago, but three things are bringing the horse back:

- **More** of the younger generation, in both rural and urban areas, seem to want saddle horses.
- **With development** of new tourist facilities, everyone seems to want a horse on his holiday.
- **In farming districts** with heavy clay soil, farm equipment can be operated more easily and more effciently with draft horses. Heavy mechanized equipment can hardly move on this kind of land.

Because of all this, says Manitoba MLA Stan Roberts, member of the Manitoba Horse Breeders Association, the demand for horses has never been greater nor prices higher.

This, he says, is the situation over a great deal of North America.

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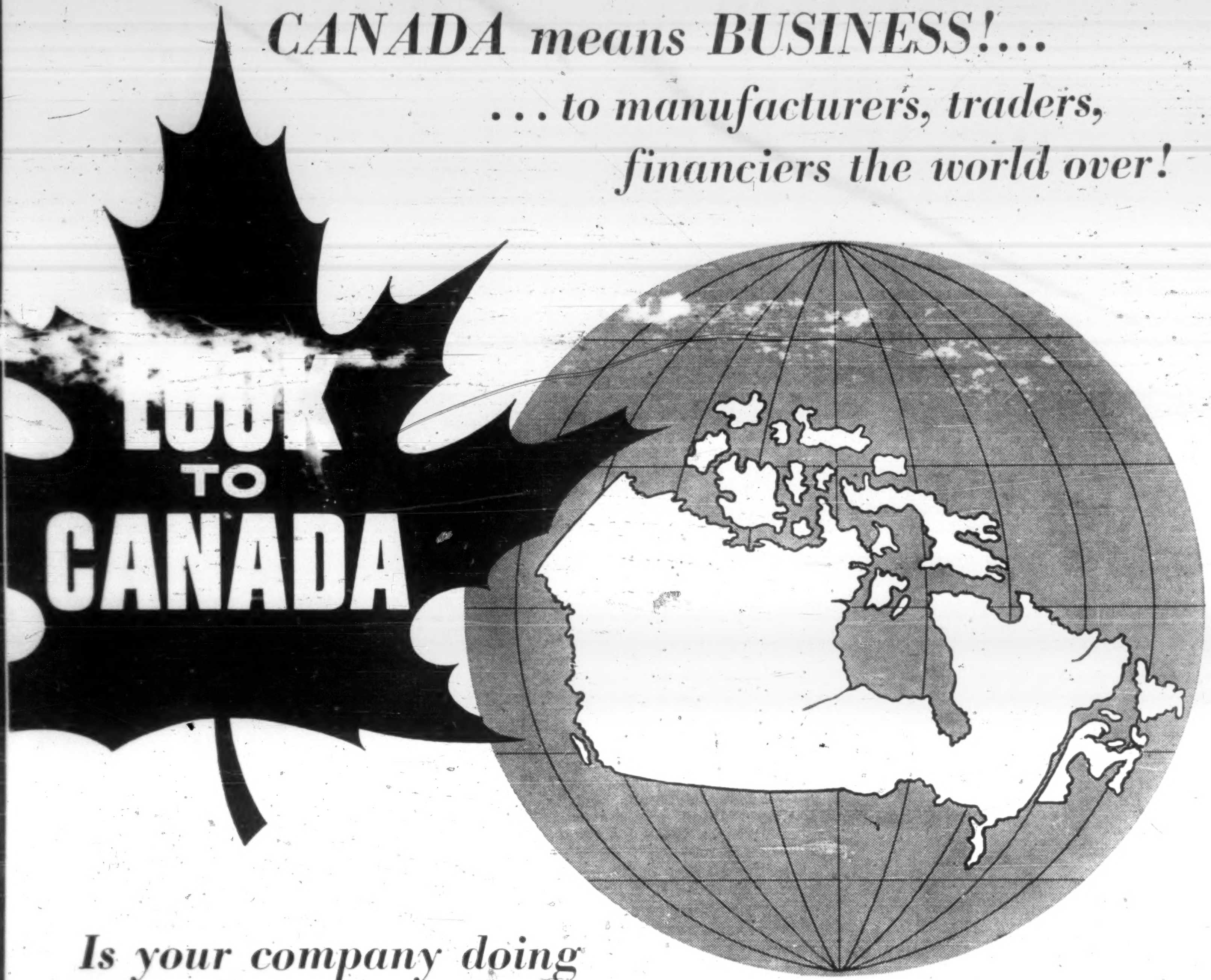

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Consult the Canadian Government Trade Commissioner nearest you. Canada's commercial representatives are located in key business centres around the world, always ready to advise concerning the prospects that trade with Canada holds for your firm.

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